Daily Report

East Europe

FBIS-EEU-91-130
Monday
8 July 1991

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CONTENTS

NOTICE TO READERS: • indicates material not disseminated in electronic form.

ALBANIA

Army Placed on Alert; Alia Notes SFRY Events *[AFP]* 1
Alia Comments on Situation *[Tirana Radio]* 1
Vatican Agrees To Establish Diplomatic Ties *[ATA]* 1
Ecological Party Recognizes Kosovo Republic *[ATA]* 1

BULGARIA

Army Will Not Threaten SFRY Security *[BTA]* 2
BSP, SDS Leaders Assess Election Chances *[BTA]* 2
SDS Coordinating Council Adopts Platform *[DEMOKRATSIYA 2 Jul]* 2
Council Denounces BSDP *[DEMOKRATSIYA 2 Jul]* 3
NSDP Spokesman Tsenov Attacks SDS Figures *[DUMA 2 Jul]* 3
DPS Declaration on Legislative Walkout *[DEMOKRATSIYA 2 Jul]* 3
United Democratic Center Supports Joint Ticket *[DEMOKRATSIYA 1 Jul]* 3
Constitutional Forum Rejects BSP Cooperation *[DEMOKRATSIYA 2 Jul]* 4
Government Sets Date for Start of Wage Bargaining *[TRUD 2 Jul]* 4
World Bank Issues First Credit for Reform *[DUMA 2 Jul]* 4
Finance Minister Kostov Comments on EC Credit *[OTECHESTVEN VESTNIK 3 Jul]* 5
Vulkov Meets Pope, Italian Officials *[BTA]* 5
Assesses Rome Visit *[BTA]* 5
Labor, Social Policy Agreement With Germany *[BTA]* 6

CZECHOSLOVAKIA

Kucerak on Confederation, SFRY Violence *[VEREJNOST 4 Jul]* 7
Meciar on SFRY, Government Program, Treaty *[Bratislava Radio]* 7
Meciar Comments on Similarities in SFRY Crisis *[CTK]* 8
Klaus Comments on Industry Conversion Problems *[OBCANSKY DENIK 3 Jul]* 9
Czech Government To Consider Privatization *[LIDOVE NOVINY 4 Jul]* 9
General Says Anti-Stealth System Sold to GDR
[CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY 2 Jul] 10
Havel on Security Clause of Italian Treaty *[CTK]* 10

HUNGARY

New Smallholders' Leader 'Dangerous' to Democracy *[Budapest Radio]* 11
SZDSZ Leader on Economic Crisis Program *[Budapest Radio]* 11
Minister Signs EC Loan Package Agreement *[MTI]* 11
Defense Ministry Rejects Soviet Damages Offer *[Budapest Radio]* 12
Foreign Trade Minister Discusses Trade, Debt *[Budapest TV]* 12

POLAND

Soviet Troop Withdrawal on Schedule *[PAP]* 15
Army 'Cannot Be a Factor in Political Bargaining' *[Warsaw Radio]* 15
Sejm Discusses Taxation System, Other Issues *[PAP]* 15
Proposals for Administrative Changes Announced *[PAP]* 15
Walesa Addresses Warsaw Constitution Conference *[Warsaw Radio]* 16
Walesa Opposes 'Statute of Limitations' *[Warsaw Radio]* 16
Poll Reflects Support for Parties *[PAP]* 17

ROMANIA

Iliescu, NATO Chief Comment on Meeting *[ROMPRES]* 18
Nastase, Woerner Statements *[ROMPRES]* 18
Roman Asks Group of Seven for Assistance *[ROMPRES]* 19
Isarescu Comments on Currency Convertibility *[ROMPRES]* 19
Dijmarescu Addresses Parliament on Economy *[ROMPRES]* 20
Government's 'Macroeconomic Measures' Viewed *[ROMPRES]* 20

YUGOSLAVIA

Federal

POLITIKA Views Economic Effects of Crisis *[TANJUG]* 22
Text of Brioni Declaration Issued *[TANJUG]* 22
Mesic Meets Press on Unrest *[Zagreb Radio]* 24
Mesic Rules Out Further Bloodshed *[Hamburg BILD 6 Jul]* 25
Mesic Voices Optimism for Peaceful Solution *[Hamburg DER SPIEGEL 8 Jul]* 26
Mesic To Continue as President After 1 Oct *[TANJUG]* 27
Mesic: 'Heads May Roll' in Army *[AFP]* 28
Mesic Sees No Need for Republics To Secede *[TANJUG]* 28
Mesic: 'Peace Will Certainly Be Established' *[TANJUG]* 28
Drnovsek Issues Statement After Vienna Talks *[TANJUG]* 29
Mitrovic Comments on Slovene, Croatian Situation *[TANJUG]* 29
Tupurkovski Comments on Presidency Decision *[Belgrade TV]* 30
Slovene Delegation Officially Leaves Assembly *[TANJUG]* 31
Daily Discusses Cause of Negotiations Failure *[TANJUG]* 31
POLITIKA Notes Government's Indecision *[TANJUG]* 31
Army Respects Presidency Decisions 'In Full' *[TANJUG]* 32
Army General Gives News Conference *[TANJUG]* 32
General Kadijevic's Statement on Crisis *[Belgrade Radio]* 34
Army Threatens 'Independent' Action on Prisoners *[TANJUG]* 36
Belgrade Reports 'Truce' Reached in Tenja *[Belgrade Radio]* 36
YPA First District Rebuts Croatia's 'Lies' *[TANJUG]* 36
Official Says Slovenes Not Observing Decisions *[TANJUG]* 37

International

EC Preparing New Four-Point Peace Plan *[TANJUG]* 37
Mesic, Tudjman Comment on Brioni Agreement *[TANJUG]* 37
Brioni Participants Adopt Resolution *[TANJUG]* 37
Kucan Praises Outcome of Brioni Talks *[TANJUG]* 38
Kucan's Statement Reported *[Ljubljana Radio]* 38
Press Roundup on German Position on Crisis *[TANJUG]* 39
POLITIKA Assails Growing German Influence *[TANJUG]* 39
'Secret' Activities Assessed *[TANJUG]* 39
Germany Rejects Allegation of Arms Deliveries *[TANJUG]* 40
Soviet Official Supports Territorial Integrity *[TANJUG]* 40
Austrian Envoy Summoned Over 'Interference' *[TANJUG]* 40

Slovenia

Slovene Generals Issue Statement Condemning Army *[Ljubljana Radio]* 41
First Damage Estimates Approach $3 Billion *[Ljubljana Radio]* 41
Kucan Comments on Democracy, Role of Federal Army
[Munich SUEDDEUTSCHE ZEITUNG 5 Jul] 42
Slovene Officials 6 Jul News Conference Reported *[Ljubljana Radio]* 43
Slovene Presidency Statement Reported *[TANJUG]* 45
Mesic Views Moratorium, EC Aid *[Paris TV]* 46
Slovenia Seeks Strict Interpretation of Moratorium *[TANJUG]* 46
Slovene Officials View Military Moves, Truce *[Ljubljana Radio]* 47

Parents Protest Treatment of Slovenes in Army *[Ljubljana Radio]* 49
Mesic States Slovenia 'Not Yet Sovereign' *[TANJUG]* 50
Peterle Denies FEC Charges on Prisoners *[TANJUG]* 50
Talks Proposed on Status of Slovenes in Army *[Ljubljana Radio]* 51
Defense Minister Says Army Controls Government *[Vienna Radio]* 51
Military Says Slovenes Not Returning to Bases *[TANJUG]* 51

Croatia

Croatian Party Head on Situation *[Budapest NEPSZABADSAG 1 Jul]* 51
Press Views Croatian Government Changes *[TANJUG]* 52
Serbian Refugees Continue To Cross Into Croatia *[TANJUG]* 52
Buffer Zone Formed Following Serb-Croat Clash *[TANJUG]* 53
Mesic: 'No Conflict Between' Serbs, Croats *[TANJUG]* 53
Krajina Interior Minister: Police 'Well Armed' *[TANJUG]* 53
Tudjman Adviser Gives 60:40 Odds for Peace *[Vienna PROFIL 8 Jul]* 54
Daily: Presidency Serves To 'Trick Opponent' *[TANJUG]* 55
Croatian Ministry To Begin Arresting 'Terrorists' *[TANJUG]* 55
Osijek Official Appeals for Removal of Chetniks *[TANJUG]* 55
Shooting Heard in Vukovar; 'Undeclared Curfew' *[TANJUG]* 56
Djodan Appeals For Calm; Army Split Noted *[TANJUG]* 56

Serbia

Slobodan Milosevic Addresses Serbian Public *[Belgrade Radio]* 56
Democratic Party Criticizes Serbian Leadership *[TANJUG]* 57
Serbian Refugees From Croatia Increasing *[TANJUG]* 57
Increasing Nervousness Reported in Kosovo *[Vienna Radio]* 58
Serbs 'Stuck' Between Federal, Republic Forces *[TANJUG]* 58
Serbia 'Should' Recognize Independent Slovenia *[TANJUG]* 58
FRG, Austria Want 'To Crush' Country *[Hamburg DPA]* 59
Rugovoa Views Outlook for Ethnic Albanians *[TANJUG]* 59

Macedonia

Tupurkovski Statement After Presidency Meeting *[TANJUG]* 59
Macedonia Supports Slovenia's Right To Choose *[Ljubljana Radio]* 60

Bosnia-Hercegovina

Bosnian Parties React to Slovene Events *[Belgrade Radio]* 60
Bosnian Presidency Postpones Sending Conscripts *[TANJUG]* 61

Army Placed on Alert; Alia Notes SFRY Events

AU0507194291 Paris AFP in English 1906 GMT 5 Jul 91

[Text] Belgrade, July 5 (AFP) — Albanian President Ramiz Alia placed the Army on a state of alert Friday because of the "serious danger" caused by "Army movements" in neighbouring Yugoslavia, the official news agency ATA, monitored here, reported.

"Our Albanian brothers in Kosovo and elsewhere are threatened", Mr. Alia told the leaders of parliamentary groups.

The "recourse to violence" in Yugoslavia, where the Federal Army is pitted against secessionists in the northwestern republics of Slovenia and Croatia, and the Army movements there constitute a "serious danger" to Albania, Mr. Alia said.

As a result and in his capacity as commander in chief of the Army, he was placing the Army on a state of alert and strengthening security arrangements at the frontiers.

The leaders of Albania's political parties expressed their wish to "support the struggle of their brothers in Kosovo" and said they were calling on the Conference on Security and Cooperation in Europe (CSCE) to set up a commission on the Province of Kosovo, in southwestern Yugoslavia.

Kosovo, administratively part of the Yugoslav republic of Serbia, has a 90 percent ethnic Albanian population.

Alia Comments on Situation

AU0507200291 Tirana Radio Tirana Network in Albanian 1600 GMT 5 Jul 91

[Excerpt] At 0900 today, President Ramiz Alia convened a meeting of the members of the leadership of the Council of Ministers and the People's Assembly and the heads of legislative groups and of political parties represented in the government of national stability. The president of the Supreme Court, the attorney general, and the director of the office of investigation, and members of the government also participated.

President Ramiz Alia brought up the political situation created as a result of recent developments in Yugoslavia. He talked about the internal situation in Yugoslavia, where the deployment of military forces presents a great danger to Albania. In particular, they are a threat to Kosovo, as the Democratic League of Kosovo, which called for the rescue of the masses of Albanians in Yugoslavia, has clearly stated. The Albanian Government raised this issue at the CSCE session.

President Ramiz Alia reported that, evaluating the situation that has been created, he, as the commander-in-chief of the Armed Forces, could call up the Army [words indistinct] political forces in this delicate moment in international affairs [words indistinct] to reach an agreement and to cooperate for the internal political and social stability of the country for the prosperity and unity of the people. The participants, after praising the president's analysis of the political situation in Yugoslavia, expressed their commitment to coordinating the efforts of state authorities and political forces in support of our brothers in Kosovo. The representatives of the government said that they appealed to the CSCE to put the resolution of the political crisis in Yugoslavia on their agenda [words indistinct] with a commission for Kosovo. [passage omitted]

Vatican Agrees To Establish Diplomatic Ties

AU0707191091 Tirana ATA in English 1705 GMT 5 Jul 91

[Text] Tirana, July 5 (ATA) — On July 4 at 1200, Pope John Paul II received in audience in the Vatican the chairman of the Council of Ministers of the Republic of Albania, Ylli Bufi. For more than 30 minutes they talked about the recent developments in Albania, the role of religion in its democratic developments and particularly, of the Catholic religion. The Albanian premier emphasized that this is an historic meeting owing to the fact that it is the first time in Albania's history that a premier of this country has met with the head of the world Catholic church. During the talk, both parties agreed to establish diplomatic relations between Albania and the Holy See.

After the separate meeting, Pope John Paul received and met with the ministers and the other members of the Albanian delegation who are accompanying Premier Ylli Bufi on his visit to Italy. The meeting took place in a cordial and friendly atmosphere.

Ecological Party Recognizes Kosovo Republic

AU0807082591 Tirana ATA in English 0808 GMT 8 Jul 91

[Text] Tirana, July 7 (ATA) — The Albanian Ecological Party made a statement on July 6 which stresses among others:

Contrary to modern democracy, contrary to its course,the people of heroic Kosovo and other Albanian territories in Yugoslavia are being oppressed, through fire and sword, poison and hunger, medieval demagogy and terror. This original and autochthonous people, who has contributed so much to civilization in centuries, merits honour and attention, care and all sided support, to march as a single body side by side the European peoples.

In the very difficult and decisive conditions created for our brothers beyond the tragic border, we solemnly declare we recognise the Republic of Kosovo as an equal and independent subject, its legitimate assembly and government, that it is an imperative duty this republic be recognized by all the European, American states, etc. This demand stems from the actual historic reality which needs to be legalised. The ethnic purity and the juridical independence the European states seek to attain along with the process of economic and political integration, is a new phenomena (although it seems contradictory at first sight) in the flourished European garden.

Army Will Not Threaten SFRY Security

AU0507200191 Sofia BTA in English 1941 GMT 5 Jul 91

[Text] Sofia, July 5 (BTA)—The Bulgarian Army will not take any actions that may threaten Yugoslavian security, Col. Gen. Yordan Mutafchiev, Bulgaria's minister of defence, told Col. Gen. Veljko Kadijevic, federal secretary for national defence of Yugoslavia, over the telephone. Gen. Mutafchiev expressed his concern over the developments in Slovenia.

The National Television quoted the Ministry of Defence Press Center as saying that Gen. Kadijevic, had stressed that the Yugoslavian Army would not take actions that may endanger Bulgaria's security.

BSP, SDS Leaders Assess Election Chances

AU0707171191 Sofia BTA in English 1440 GMT 7 Jul 91

[Text] Sofia, July 7 (BTA)—Mr. Filip Dimitrov, leader of the opposition Union of Democratic Forces (SDS), is convinced that the Socialists will lose the forthcoming elections in Bulgaria. Mr. Aleksandur Lilov, chairman of the Bulgarian Socialist Party (BSP) tried to dampen Mr. Dimitrov's enthusiasm in today's "Sunday 150" Review on the National Radio. Mr. Lilov said that it is possible that a third political force win the elections.

Mr. Dimitrov argued that the West would not help Bulgaria if the Socialists won the elections. In his turn, Mr. Lilov said that the international community is aiding Bulgaria and not the SDS and that it will continue to do so if social peace is preserved and there is appropriate legislation guaranteeing the interests of foreign investors.

The two main political forces seem to be unanimous that the Yugoslavian crisis should be resolved peacefully. Mr. Dimitrov said he is afraid that the controversial issues might be solved in a typically Balkan way, while the BSP leader is optimistic about the turn of events. Mr. Lilov believes that Bulgaria is threatened and that the government should promptly take appropriate measures.

Mr. Stoyan Ganev, leader of the SDS United Democratic Centre and one of the 39 MP's who walked out of parliament, also took part in the discussion. Mr. Ganev again criticized the draft constitution. In his view, the new constitution is worse than the amended constitution which is now in force and which is referred to as "Zhivkov's Constitution." Mr. Ganev said that the MP's who boycotted parliament insist that the Grand National Assembly be dissolved immediately and that new elections be held.

Mr. Konstantin Trenchev, president of the Confederation of Labour "Podkrepa" explicitly denied any involvement in the recent incident in Liechtenstein when Bulgaria's Premier Dimitur Popov canceled an official dinner because Simeon II, the exiled Bulgarian monarch, had also been invited. "I still wonder what actually happened in Liechtenstein," Mr. Trenchev said.

SDS Coordinating Council Adopts Platform

AU0507172491 Sofia DEMOKRATSIYA in Bulgarian 2 Jul 91 p 1

[Resolution of the Union of Democratic Forces National Coordinating Council adopted in Sofia on 1 July 1991]

[Text] I. The National Coordinating Council of the Union of Democratic Forces [SDS] adopts the following political principles confirmed by the SDS National Conference on 22 June 1991.

The SDS is a national movement composed of parties, other organizations, and citizens established for the purpose of promoting an accelerated transition to the market economy, the removal of the Bulgarian Socialist Party from positions of political power, and the restitution of the people's property that was illegally misappropriated by the Bulgarian Communist Party [BCP]/BSP.

(Voting: 12—for; Bulgarian Social Democratic Party [BSDP]—against; Nikola Petkov Bulgarian National Agrarian Union [BZNS]—abstains)

The SDS parties, within the framework of the common political and election platform, preserve their organizational and ideological independence and have assumed the political leadership of the movement through their participation in the coordinating councils.

(Voting 13—for; BSDP—against)

During the election campaign period the coordinating councils are assisted by civic committees of SDS supporters—nonparty people, members of SDS member parties and members of other parties and organizations that are not SDS members, but accept the common goal of the movement and are willing to join the SDS in its election campaign.

(Voting 12—for; BSDP—against; Nikola Petkov BZNS—abstains)

The SDS platform is identical with the SDS program for which millions of constituents voted a year ago. The platform has been further specified with a view to the socioeconomic and political situation existing in the country today and in conformity with the real hopes of the voters.

(Voting: 13—for; BSDP—against).

SDS deputies are nominated according to the most democratic procedures irrespective of party quotas; the nominees are proposed by the parties and other SDS member organizations, by civic committees and coordinating councils, and by SDS supporters; the nominations are discussed at open, public meetings after which the candidates for deputies are nominated by the municipal coordinating councils.

(Voting: 11—for; BSDP and Nikola Petkov BZNS—against; Green Party—abstains)

II. The National Coordinating Council is convinced that it is the moral and political duty of the SDS toward millions of

supporters of the union's cause to appear with a joint blue ballot paper and with a joint election list (in the event that the proportional election system is accepted). Any artificial efforts of opposing candidates to each other should be banned and everything should be devoted to a single goal—namely the removal of the BSP from political power.

(Voting: 11—for; BSDP and Green Party—against; Nikola Petkov BZNS abstains)

III. The National Coordinating Council is convinced that the adoption of a Constitution that broad social circles and political parties and movements disapprove of in essence may become a destabilizing political factor for the development of the democratic process in Europe and considers this fact as a real danger.

(Voting: 12—for; BSDP—against; Green Party—abstains).

Council Denounces BSDP

AU0507174491 Sofia DEMOKRATSIYA in Bulgarian 2 Jul 91 p 1

[Unattributed report: "Union of Democratic Forces National Council on the Bulgarian Social Democratic Party's Stand"]

[Text] At its regular session the National Coordinating Council of the Union of Democratic Forces [SDS] was briefed on the stand and decisions of the Bulgarian Social Democratic Party [BSDP]. The point of view expressed and resolution adopted are in contradiction to and essentially reject the basic principles of the SDS adopted at the Union's National Conference and repeatedly submitted to a vote by National Coordinating Council.

The destructive position of the BSDP leadership is untimely. It causes unnecessary tensions and conflicts within the SDS. While respecting all political views and specific ideological convictions, the SDS National Coordinating Council calls attention to the fact that this is election time and that unanimous actions and constructive steps should prevail over separatism, which applies to all political formations.

We appeal to the members and supporters of the BSDP to pursue their work devoted to the SDS cause.

NSDP Spokesman Tsenov Attacks SDS Figures

AU0507154991 Sofia DUMA in Bulgarian 2 Jul 91 p 2

[DUMA report]

[Text] At an improvised press conference, Ivan Tsenov, spokesman of the New Social Democrat Party [NSDP], said: Our chairman asked Filip Dimitrov who is financing the Union of Democratic Forces [SDS]. No answer was forthcoming, he was silent as a communist under interrogation.

It became clear that the NSDP will seek to make everyone render political account. The SDS will be made to answer for failure to fulfill the roundtable agreement. Filip Dimitrov will have to provide an explanation about the political umbrella that, according to the NSDP leaders, he has unfurled to protect such a phantom party as the Bulgarian Social Democratic Party. Dr. Dertliev is guilty of legalizing the Bulgarian Socialist Party [BSP] in the eyes of Europe and the electors, and his party is an offshoot of the BSP. The BSP, naturally, bears the blame for everything. The NSDP will not put forward election candidates within the structures of the SDS and will not form any financial links with the SDS, but will totally support the SDS cause, declared the leaders of NSDP, the frozen SDS member party that now has observer status.

DPS Declaration on Legislative Walkout

AU0507175091 Sofia DEMOKRATSIYA in Bulgarian 2 Jul 91 p 2

[Georgi Stoyanov report: "Differences Within the Movement for Rights and Freedoms"]

[Text] The Central Council of the Movement for Rights and Freedoms [DPS] and the DPS Legislative Group held a joint meeting on 28 June 1991 at which they discussed and analyzed the country's situation and the DPS activities over the last month. The DPS Legislative Group's walkout from the plenary sessions of the Grand National Assembly was evaluated as a "correct political act" considering that the second reading of the draft constitution once more showed the incapacity of the present legislature to adopt a really democratic Constitution," a declaration of the DPS Central Council states.

Some deputies who returned to the legislature were also heard at the meeting. The DPS Central Council and Legislative Group distance themselves from their members of the legislature who returned to the sessions. The declaration points out that such members are not entitled to speak on behalf of the DPS. Yashar Shaban was deprived of his credentials as deputy chairman of the DPS Central Council and as member of the Central Operational Bureau of the DPS Central Council. He was relieved of his duties as chairman of the DPS Legislative Group. Khusein Yumer was also relieved of his duties as chairman of the DPS Central Council Control-Auditing Commission.

United Democratic Center Supports Joint Ticket

AU0507144991 Sofia DEMOKRATSIYA in Bulgarian 1 July 91 p 1

["Political Declaration of the United Democratic Center"; no date given]

[Text] The United Democratic Center [ODT] is founded on the principles of European Christian democracy and its understanding of man, his morals, and civic and ethical responsibilities.

The national conference expressed its firm and unambiguous support for the decisions of the National Conference of the Union of Democratic Forces [SDS]. As

part of the SDS National Movement, the ODT is for saving Bulgaria, by changing over without delay to a market economy; by removing the Bulgarian Socialist Party [BSP] from power through elections; and by returning to the people the property that the BSP and other government organizations confiscated. The ODT, as part of the SDS, has the potential to govern the country in accordance with modern requirements.

The ODT excludes the possibility of this National Assembly adopting a democratic constitution and is for its immediate self-dissolution. The ODT is for one joint SDS blue party ticket for the elections. The ODT is for a joint election platform, for the elimination of party quotas, and for the adoption of the Group of 39's stance on the procedure for nominating candidates for the legislature of the SDS as a national movement.

We have lived through the terrible years of totalitarianism; we will also live through the difficult years of restoring democracy. The age-old, universal desire for happiness, prosperity, and equality, the high morals and sense of duty characteristic of our ancestors bear us aloft.

We do not need to rediscover new universal values: It is sufficient for us to turn towards the traditional Bulgarian virtues and combine them with the democratic principles of modern civilization.

Constitutional Forum Rejects BSP Cooperation

AU0507173091 Sofia DEMOKRATSIYA in Bulgarian 2 Jul 91 p 2

[Rumen Lozev report: "Coalition With Bulgarian Socialist Party Is Inadmissible"]

[Text] The Bulgarian Constitutional Forum will participate in the elections. The forum is part of the democratic forces and intends to enter a coalition with other nontotalitarian parties and social movements.

The political processes in the country will be carefully watched and analyzed so that the forum may make up its mind whom to support in the upcoming elections. For the time being it is known whom the Constitutional Forum does not intend to support. Any coalition or alliance with the present Bulgarian Socialist Party [BSP] leadership is out of question, Professor Nikolay Genchev, chairman of the forum, announced at a news conference yesterday.

The results of a poll of members of the Constitutional Forum showed that the majority of them (74 percent) voted for the Union of Democratic Forces [SDS] in the elections. The forum attaches great importance to the alliance with the SDS and will contribute to the preservation of this cooperation with all its efforts.

A declaration in support of the Slovenian and Croatian peoples' right of self-determination was read at the news conference. The BSP Supreme Council was urged to hand over the Party Headquarters Building to the National Library.

The spokesman of the forum stated as follows: "The Bulgarian Constitutional Forum has assumed the task of assisting a transformation of our society from a bunch of nonentities into a group of personalities."

Government Sets Date for Start of Wage Bargaining

AU0507153991 Sofia TRUD in Bulgarian 2 Jul 91 p 1

[Aleksandur Angelov report]

[Text] At its meeting on 1 July, the government decreed that the changeover to wage bargaining should begin as of 1 July. Thus, following the freeing of the prices of goods and services, credit, and foreign currency, free scope was also provided for the final market factor, namely manpower.

In the case of economic enterprises, negotiations should be completed by 1 September at the latest, and in the case of enterprises with controlled budgets, by 15 September. The obligatory minimum working wage of 620 leva comes into force immediately, while the lower limit will be 652 leva in cases where specific negotiations are held between the trade unions and employers. Until the new contracts are concluded, workers and white-collar employees will continue to receive their previous wages plus the compensation that has already been fixed. In accordance with a proposal by the trade unions, an additional point was adopted that allows the parties taking part in negotiations, if necessary, to use official paid leave under Article 161 of the Labor Code.

Regarding the adopted decree, Minister Maslarova reported the view of representatives of international financial organizations, who highly praise the speed of the economic reforms in Bulgaria.

World Bank Issues First Credit for Reform

AU0507153791 Sofia DUMA in Bulgarian 2 Jul 91 p 3

[DUMA Press report]

[Text] Washington, 1 July—The World Bank has granted the first credit of $17 million to Bulgaria. The money is earmarked for technical aid for the organizations that will implement the economic reform program.

Bulgaria has started an ambitious program of transition to a market economy, states a special World Bank announcement. The credit is for activities that increase the government's possibilities for introducing economic reforms. In addition to this, the credit will provide the assistance needed to start the reform of the banking

system, including legal and specialist aid in developing the private sector. A plan for strengthening the social security system, which primarily concerns those people who will be most strongly affected by the economic changes, will also be financed.

The EC's Phare [Economic Reconstruction and Aid for Poland and Hungary] program is also expected to provide parallel financing of $13.2 million, while the British Know-How Fund is expected to grant $1.3 million.

The World Bank credit is for 17 years, at an interest rate of 7.73 percent, and no capital or interest payments will be payable during the first five years.

During the fiscal year ending on 30 June, the World Bank issued total credits valued at $24.2 billion—a record sum since the date of the bank's foundation. Compared with the $500 million received three years ago, this year Eastern Europe has received almost $3 billion. The bank's profits, which have not yet been officially announced, are expected to be $1 billion.

Finance Minister Kostov Comments on EC Credit

AU0807103391 Sofia OTECHESTVEN VESTNIK in Bulgarian 3 Jul 91 pp 1, 3

[Mariya Netsova report: "Informal Act of Confidence Toward Bulgaria"]

[Excerpts] The EC allocated Bulgaria a credit of $800 million, secured by a loan of the Group of 24. The credit aims at facilitating Bulgaria's fundamental and peaceful economic reform. [passage omitted]

We called the Bulgarian Embassy in Brussels and talked with Finance Minister Ivan Kostov, who had just returned from the signing ceremony. He was kind enough to comment on the event for OTECHESTVEN VESTNIK:

For me it was a pleasure to sign the agreement, because it puts the finishing touch on the numerous efforts of our country. In itself it represents a great act of confidence in Bulgaria on the part of the EC. We see the document as a breakthrough for Bulgaria, which puts an end to its isolation. Now we will be receiving credits from three great world institutions—the Group of 24, whose aid to East Europe is coordinated by the the EEC Commission; the IMF; and the World Bank. The barriers which prevented the development of Bulgarian economic relations at an official level have been removed.

We asked Minister Kostov how the allocated funds will be used. He said:

The loan comes precisely on time. It will be used for establishing an independent fund vis-a-vis the state budget fund for developing the market economy. The money will be also used for encouraging exports through short- and medium-range credits, stimulating export programs, providing export guarantees, and, to a lesser degree, for investment.

Simultaneously with the report from Brussels we also received a report from Washington that the World Bank has allocated Bulgaria the first credit of $17 million for technical assistance to the economic reform program.

Vulkov Meets Pope, Italian Officials

AU0507190991 Sofia BTA in English 1705 GMT 5 Jul 91

[Text] Rome, July 5 (BTA)—Today Pope John Paul II received Mr. Viktor Vulkov, Bulgaria's deputy prime minister and minister of foreign affairs. Pope John Paul II and Mr. Vulkov expressed the view that recently the relations between the Vatican and Bulgaria have developed in a positive direction. Mr. Vulkov thanked for the humanitarian aid granted to Bulgaria by the Holy See and by the pope personally. Mr. Vulkov confirmed the invitation of Bulgaria's President Zhelyu Zhelev to the pope to visit Bulgaria.

Mr. Vulkov had a meeting with Mr. Vito Lattanzio, minister of foreign trade of Italy, and discussed with him the trading and economic relations between the two countries. The democratic changes in Bulgaria facilitate the development of bilateral relations, the settlement of any problems that arise and the promotion of various forms of economic cooperation.

Last night Mr. Vulkov had talks with Mr. Antonio Soraci, national secretary of the Italian Republican Party and Mr. Archangelo Lobianco, president of the National Confederation of Agricultural Owners. Mr. Vulkov and Mr. Lobianco agreed on future cooperation in agriculture and the food industry. In the autumn the confederation will send a team of experts to Bulgaria.

Assesses Rome Visit

AU0607131091 Sofia BTA in English 2025 GMT 5 Jul 91

[Text] Rome, July 5 (BTA)—The four-day official visit of Mr. Viktor Vulkov ended here today.

"We managed to fill in the gap in our diplomatic and political relations with Western Europe. As Mr. De Michelis said, for the first time in many years the dialogue was not between representatives of two different political and economic blocs but between people who belong to the Common European Home. We believe that we should to go hand in hand in building a new Europe," Mr. Vulkov told BTA.

Mr. Vulkov stressed that he and his Italian counterpart were unanimous that the present good political, economic and cultural relations between the two countries may be expanded in the future. The two ministers agreed that the signing of a friendship and cooperation treaty should be sped up and that a treaty on neighbourly relations may also be concluded.

Labor, Social Policy Agreement With Germany

AU0707183091 Sofia BTA in English 1745 GMT 7 Jul 91

[Text] Sofia, July 7 (BTA)—Germany is ready to help Bulgaria bring its labour and social policy in accordance with the requirements of the market economy, it is said in an agreement that was signed today between the German Ministry of Labour and Social Affairs and the Bulgarian Ministry of Labour and Social Affairs.

The agreement envisages the exchange of experience in working out normative acts and regulations, holding management consultations, exchange of experts and information, joint research.

Kucerak on Confederation, SFRY Violence

AU0507163991 Bratislava VEREJNOST in Slovak 4 Jul 91 p 3

[Interview with Jozef Kucerak, Public Against Violence movement's Slovak Council chairman, by Tibor Hradny and Pavol Funtal; in Roznava, date not given: "The Public Against Violence Movement, the Federation, and the Economy"—first paragraph is VEREJNOST introduction]

[Excerpts] Jozef Kucerak, chairman of the Public Against Violence [VPN] movement's Slovak Council, paid a visit to the town of Roznava in East Slovakia at the end of June. After a day full of meetings, interviews, and discussions, he granted us the following interview in the pleasant surroundings of Roznava's Hotel Kras. [passage omitted]

[VEREJNOST] The VPN's attitude toward the issue of preserving the joint federative state of Czechs and Slovaks is well known. What do you think about a confederation as suggested—rather surprisingly—by the Movement For a Democratic Slovakia in Banska Bystrica?

[Kucerak] I think many politicians in Central European countries, including Slovakia, are suffering from a certain megalomania. They want to force models [for a state arrangement] on the citizens that have never been proven successful anywhere in the world. However, citizens should not be guinea pigs for such untried models. I believe that we should be more modest and only orient ourselves toward those constitutional and legal arrangements that have been tried and tested in society and in history. I think the idea of a confederation provides clear proof that deliberate tendencies oriented toward breaking up our joint state are involved here. A confederation would require complete independence, the recognition of Slovakia as an international legal entity, and subsequent negotiations with a partner that would have to be taken into consideration while shaping the confederation. I do not think the superpowers would be willing to recognize an independent Slovakia and, obviously, it would not find a partner that would undertake to conclude a confederative union with us. I should mention the fact that, since the beginning, our movement has been in favor of a federation and will continue to be in favor of it. The shortcomings that prevail in our joint state cannot be a reason to break it up. After all, in a democratic society we have all the possibilities and resources to be able, in a peaceful manner, to deal with the problems and eradicate the shortcomings. [passage omitted]

[VEREJNOST] There is shooting in Yugoslavia. The Federal Army is attacking its own people. Following the Croatian and Slovene declarations of independence, civil war is looming ever closer in the middle of Europe. Europe is alarmed and is exerting all its efforts to try and prevent bloodshed. Despite these efforts, this has happened. What is your attitude toward these events?

[Kucerak] Yugoslavia's problem is an illustration of how state and republican independence within a single federation should not be resolved. In fact, independence has been achieved here in an unconstitutional manner and at the cost of violence. Wherever problems are resolved unconstitutionally, illegally, and without agreement, they result in disputes and bloodshed. Therefore, if anyone in our country and under our conditions wants to achieve different forms for the constitutional and legal arrangement, let him strive for this within the framework of legal norms, peacefully, and in a legislative manner. Only in this way can we demonstrate to the advanced world that Czechoslovakia's entry into an integrated Europe is possible. Yes, the Yugoslav events are a certain reminder to the world and are a warning about how misunderstandings should not be dealt with. I am convinced that our citizens are fully aware of all these circumstances and that they will never support endeavors that could lead toward an illegal situation in society.

Meciar on SFRY, Government Program, Treaty

LD0307191591 Bratislava Ceskoslovensky Rozhlas Radio Network in Slovak 1000 GMT 3 Jul 91

[Text] Correspondent Ivan Kosec has just returned from the news briefing by the Movement for a Democratic Slovakia and he has brought back a recorded interview with Vladimir Meciar, chairman of the movement.

[Begin recording] [Kosec] As the situation in Yugoslavia was the focus of today's news conference, how would you, Mr. Meciar, assess the situation in Yugoslavia and its possible consequences for our conditions?

[Meciar] The situation in Yugoslavia, and specifically, the position of Slovenia, has a negative consequence for us too. The conflict between Slovenia and the Yugoslav Army, which consists mostly of Serbian officers, can spread throughout the whole territory of Yugoslavia and become a broad civil conflict. No one wishes this. Army intervention is undesirable, condemnable, and it is at variance with the valid legal order.

The second consequence is positive, as all of Europe has responded positively to Slovenia's bid for independence. Nations used to declare but not pursue this right to self-determination, and the issue of a confederative state structure was more or less taboo or was not recognized. But today these matters are finding political recognition as a realistic model for countries in the post-communist period, for multinational states which are freeing themselves from the previous system, which was basically a unitarian system in which the party had the leading role. In this respect the development is positive.

Also positive is the fact that, while there are about 2 million Slovenians, they have managed to unite to defend themselves and are willing to make the highest sacrifices for the freedom and independence of their country. The loss of human lives is always painful, but

human lives sacrificed for such a high goal is justified. Nevertheless, I believe matters could have been resolved politically. [end recording]

[Kosec] At the beginning of the news conference, Mr. Filkus, [former Slovak minister in Meciar's government] in response to a question concerning the government policy statement, said that it continues the program of the previous government, and at the same time asked what the reason for recalling the previous government was.

[Begin recording] [Meciar] The recalling of the previous government was basically motivated by several factors. There was, above all, a certain internal struggle in the Public Against Violence [VPN] movement—on the movement's direction, and the direction of politics in Slovakia. There were also certain guarantees and agreements, previously approved by the Czech side. Thus the government was recalled by a Slovak but the interests were not Slovak. It now appears that the entire operation was carried out it vain; those who left were not replaced by better ones.

The new government policy statement shows several factors: I had the policy statement ready in one night, in fact on my third day in office [as Slovak prime minister]. We are now in the third month of the new government. Only partial changes are to be carried out and they have not been able to do even that yet! They once came with some material to the Slovak National Council but were forced to withdraw it as their own deputies would not vote for it.

The second factor is that the policy statement is unspecific, vague, general. We could have had such a thing 10 years ago and will be able to have it again in 10 years. Now they have a year of governing left [before next elections] and thus they should have a specific action program, implementation of tasks which the government pledges to do, but the government is pledging nothing. It is only saying: We should do, we could do...

The assessment of activities of the previous government is positive in all respects. This means in fact that arguments which the Slovak National Council used in public were no arguments at all but fabrications. Obviously, the Defense and Security Committee, in its effort to find something, still continues its search. Thus it was more a destruction of social and public opinion in Slovakia than anything else.

[Kosec] The VPN published this week its draft proposal of a state treaty [between the Czech and Slovak Republics] which you have called unacceptable. Why?

[Meciar] VPN in fact continues its old trends; that is, the trend of Czechoslovakism and cosmopolitanism. This draft reflects this trend. The draft negates the present system of division of powers between the Slovak Republic and the Federation. We either speak or don't speak about completing the process of achieving the statehood of the Slovak Republic and about the handing over of powers to the Federation later on. This draft envisages a certain method, or certain conditions, an end of the common state, by cessation or similar means for which there is no proper (?precedence). All these matters are unacceptable for us in Slovakia. From this point of view the redrafted proposal which the Christian Democratic Movement will submit is much better; there we have more points in common. Our rejection of the VPN draft is a profound blow to Prague's efforts. We will not give up negotiations—this is tantamount to giving in, which Slovakia will not accept. [end recording]

Meciar Comments on Similarities in SFRY Crisis

LD0407132691 Prague CTK in English 1753 GMT 3 Jul 91

[Text] Bratislava July 3 (CTK)—Slovak ex-Premier Vladimir Meciar today compared the questions facing Slovakia with those confronted by the Yugoslav Republic of Slovenia.

Slovenia's efforts to solve these questions are a precursor for Slovakia's attempts to solve its many painful problems in the European as well as internal context, Meciar told journalists. "Slovenes are close to us due to their history and traditions and also the way they assert their identity", he said.

Meciar was speaking at a press conference given by the Movement for a Democratic Slovakia (HZDS), which he founded since his dismissal as premier last April.

In recent weeks, the HZDS has called for the reorganisation of Czechoslovakia as a confederation, i.e. a looser union of the Czech and Slovak Republics within one state. The country's current federative setup is supported, with some proposed alterations, by most political forces in Czechoslovakia.

According to Meciar, the situation in Czechoslovakia is not likely to lead to a crisis on a par with Yugoslavia's. He rejected the warnings against Balkanisation made by Federal Premier Marian Calfa.

In the Czech Republic, Viktorie Hradska, deputy chairwoman of the Czech Government Committee for International Relations, today criticised what she described as the ill-defined stand taken by Czechoslovakia on the Yugoslav crisis.

She said Czechoslovak federal bodies should have used their authority and given clear and emotional support to the right of the Slovenes to self-determination. Czechoslovak foreign policy on this issue cannot be subordinated to that of the superpowers nor to domestic concerns, Hradska said.

Klaus Comments on Industry Conversion Problems

AU0507175391 Prague OBCANSKY DENIK in Czech 3 Jul pp 1, 3

[Vaclav Klaus article: "Waiting for the Conversion"]

[Text] To many enterprises, the word conversion has recently become almost a magic word. Most likely, they were inspired by the example of our ammunition plants, which have been waiting a long time for "conversion." Weapons do not sell, and this is why it is necessary to convert the ammunition plants into something completely different. At least this is what they were promised. The conversion of the arms industry into civilian industry is an exceptionally complex and costly matter, and state assistance is expected because this is a very extraordinary case. "If ammunition plants can be converted, why should our plants not be converted, too?" This is what representatives and employees of many other enterprises think whose products do not sell, either because of high prices or low quality. If the government were forced to face the dilemma—to manufacture or not to manufacture, to employ people or to lay them off—then these enterprises believe the government would "arrange" for conversion.

The word conversion itself is a bit misleading. It implies the transformation of an enterprise "as we go along," keeping the same number of employees with the same salaries (if we neglect inflation), utilizing existing skills and work habits, and operating in the same buildings, workshops, plants, and enterprises. People do not realize that this sort of conversion will be possible only in a very small number of cases.

A far more typical case of conversion will be that the number of employees will decrease, there will be a short and medium-term fluctuation in wages, there will be a need to retrain employees, and existing production facilities will have to be abandoned. This is why easy conversions should not be expected, and this word should be used only sparingly.

Our goal cannot be the salvation of existing enterprises at any price; our goal is to save jobs and to find markets for marketable products and production activity.

None of this is easy or pleasant. It requires productive activity—sometimes even rapacity—the reorganization or restructuring of enterprises, the closing of inefficient work places, and the search for partners. This requires no small sum of money. The problem is where to get it. Today the state is not able or willing to organize and to finance existing or future enterprises—or even entire production branches. The enterprises themselves must draw up their own rescue packages, but this is not the end of it. They must convince the banks about their quality and viability because it is just the banks where funding should be sought. Here is the stumbling block, since the banks will lend money to those enterprises whose projects—and not only the projects, but also the evident activity and ability of the enterprise's management—are guaranteed to provide a return on their investment. Persuading state bureaucrats in the "political market place" is one thing, but persuading banks that operate on genuine commercial principles is another. Today, it is necessary to compete for funding—not in ministerial lobbies, as was the habit of many enterprises under the previous regime—but in the genuine financial market. The difference is that, in the past, the one who was able to persuade state officials won the competition. They were usually large enterprises whose greatest trump card was, and still is, the threat: "If we do not get the money, we will be forced to lay off tens of thousands of people." However, the size of an enterprise is no guarantee of efficiency and viability. It is no guarantee that the granted money will not be dissipated and wasted in the inefficient production of inertia-conserving and immobile colossi. Today, the one who is able to persuade the banks will win the competition and, since the banks operate—as opposed to the ministries—on commercial principles, they will grant credit only to those who can provide a real guarantee of efficient development in the future.

The secret of the successful salvation of existing enterprises does not lie in waiting for conversion but in the enterprises' own activity. There is little time left; if I am not fast and flexible enough, instead of the conversion, the only thing left for me will be liquidation. Only this style of thinking can be recommended, and we must warn those who raise their bids, hopes, and expectations on the idea that conversion will come to them from above. We must warn those who believe that the state will continue to keep them afloat to the detriment of more capable and more efficient enterprises or to the detriment of the consumers.

Czech Government To Consider Privatization

AU0507164791 Prague LIDOVE NOVINY in Czech 4 Jul 91 p 1

["ER"-signed report: "Important Lists"]

[Text] Prague— Tomas Jezek, Czech minister for the administration of national property and its privatization, submitted to the Czech Government yesterday a list of state enterprises and state ownership stakes earmarked for privatization under law No. 92 of 1991.

A total of 1,648 enterprises have been proposed for the first privatization wave, and 1,101 enterprises for the second. For a period of five years, 374 enterprises are to be excluded from privatization, and a total of 100 enterprises have been proposed for liquidation. The final decision on assigning enterprises to individual categories is to be made by the [Czech] Government by 15 July, when the lists are to be made public.

Furthermore, the Czech Government approved the draft plan of the government's primary tasks for the second half of this year. It approved proposals submitted by the

Czech minister of agriculture for reforming and transforming the systems of drinking water supplies, drainage, and effluent treatment. Under the proposals, the centralized and monopolistic management of these systems by the state is to be gradually eliminated, and the structure of ownership relations and the inefficient economic environment are to be rectified. In the next 10 years, it will not be possible to ensure drinking water supplies and drainage without significant state support, especially in terms of subsidies and the credit policy.

General Says Anti-Stealth System Sold to GDR

AU0307134591 Prague CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY in Czech 2 Jul 91 p 3

[Jan Subert report: "Czechoslovak Super-Defense? No!"]

[Excerpts] Super-Defense! TAMARA sees the invisible! An exclusive result of Czechoslovak military research! These and similar comments appeared recently in some newspapers responding to the statement by General Barak who confirmed in the legislative defense committees that our Army has equipment capable under certain circumstances of observing the so-called invisible airplanes developed in the Stealth program. [passage omitted]

The detection of an airplane does not always have to be a task for the traditional locator. The signals of the airplane's own radar and altimeter can also serve to identify and locate it. It is in this regard that a highly sensitive system for passive detection (by reception only) and location of targets emitting radio signals [radiotechnicke cile] developed in the Czechoslovak Army laboratories can find its application.

"Of course, the equipment we have that became subject to so much sensational discussion is far from an omnipotent miracle," Major General Engineer Aldrich Barak, chief of the Czechoslovak Army Armament and Technological Procurement Administration, said in an interview. He continues:

"Moreover, it has not been developed as a specific tool for detecting the Stealth airplanes. It is a system intended for the detection and location of sources of radio signals in general—for instance, signals of ground locators—whether they be in the air, on the ground, or at sea.

"After the RAMON set, the TAMARA equipment is the second generation of a system that was developed in the framework of the former Warsaw Pact. Basically, it is a result of 20 years of work in the field. It was developed here because Czechoslovakia had the best conditions for this research.

"The fact remains that this extremely sensitive reception apparatus has the highest technical standards, and it is capable of detecting these targets—under certain conditions even the Stealth planes—at a distance of 200 to 400 kilometers. It is even capable of detecting and automatically following as many as 20 separate targets at the same time. Of course, all this is possible only if the airplanes' radars, or other instruments emitting impulse signals, are in operation. In the event that the airplane was navigated by a pre-programmed computer and did not emit the pulse radiation—which often is the case with fighter jets—TAMARA would be blind," Barak said.

As further stated by General Barak, the system has been put in production in Tesla Pardubice and can be utilized in civilian life to track transport planes. Let us also add that the TAMARA equipment, valued at 10 million dollars, is located on eight trucks. Our Army owns several sets, and one was sold to the former GDR. Further improvements to the system depend on the decision on whether we should continue with this type of research.

Havel on Security Clause of Italian Treaty

LD0607141391 Prague CTK in English 1727 GMT 5 Jul 91

[Text] Prague July 5 (CTK)—President Vaclav Havel told CTK today the Czechoslovak-Italian treaty on friendship and cooperation signed yesterday was the first of a series of treaties designed to anchor Czechoslovakia in the international community and provide it with a concrete guarantee of security.

"The treaty contains a clause stating that in the case of a threat, we will undertake consultation", said Havel. "And mutual support is not ruled out either".

Describing Italian President Francesco Cossiga's current three-day visit to Czechoslovakia as the culmination of relations between the two countries up to now, Havel praised Italy's support for Czechoslovakia in its negotiations on association with the European Community (EC) and its proposals in the framework of the Helsinki process.

"We had very substantive discussions on all possible issues in both domestic and foreign policy, including the situation in Yugoslavia", Havel added. "It was interesting for me personally to speak with (Cossiga) about the constitutional changes now being proposed in Italy, including a change in the election system. His ideas are very close to my own of what it should be like in (Czechoslovakia)".

"It is also important for us that Italy, as one of the states that signed the (1938) Munich Agreement, has declared the Agreement null and void from the very outset".

New Smallholders' Leader 'Dangerous' to Democracy

LD0607135891 Budapest Kossuth Radio Network in Hungarian 1000 GMT 5 Jul 91

[Text] The largest opposition party gave its view on the effect of the change in leadership of the Smallholders' Party on the government coalition. Peter Marvanyi reports on the position of the Alliance of Free Democrats [SZDSZ]:

[Marvanyi] SZDSZ Chairman Janos Kis said the election of Dr. Jozsef Torgyan as party chairman is dangerous to Hungarian politics, since Jozsef Torgyan is considered a politician who is dangerous to Hungarian democracy—and not only by the Free Democrats. Kis called the election of the new party chairman regrettable. He also considered the reaction of the prime minister dangerous, according to whom the coalition can be maintained for the time being. It would be a grave mistake to wait for the time when Jozsef Torgyan will become a potential factor in government. To maintain the present form of the coalition is contrary to the interests of the country.

Then, in reply to my question, he also said it was conceivable an MDF [Hungarian Democratic Forum]-Christian Democratic minority could govern if such a government made an agreement with the opposition parties on certain basic questions. However, he could also envisage an opposition party becoming part of the government, although that party would be the FIDESZ [Federation of Young Democrats] rather than the SZDSZ. It is also possible that the Christian and Liberal parties could form a wide coalition. However, a large coalition—that is, the MDF-SZDSZ coalition—has no chance. It is not the form of the coalition that is decisive, but the fact that the MDF and the prime minister should give up the idea of maintaining the present coalition at all costs.

At the press briefing, the trade union bills placed on the legislative agenda yesterday were also mentioned, which according to the SZDSZ should have been dealt with a year ago. And Janos Kis, contrary to the opinions that he called demagogic, considered that the fair distribution of assets does not mean the destruction of interest protection, but is rather the condition of new, strong, and legitimate interest protection.

At the press briefing (Zsolt Egeli) also made his introduction. He is not a SZDSZ member, but he is supported by the Free Democrats in the contest against [Finance Minister] Mihaly Kupa at the by-elections in Borsod Abauj Zemplen.

SZDSZ Leader on Economic Crisis Program

LD0707083691 Budapest Kossuth Radio Network in Hungarian 1000 GMT 6 Jul 91

[Text] Yesterday, the Alliance of Free Democrats [SZDSZ] published its new economic crisis-handling program. In it they emphasized that the primary cause of the crisis is that the central direction of the economic process is still being given the green light. The program of the Free Democrats marks as an objective a much more drastic liberalization, as opposed to the Kupa program. Does this program also entail a change of political strategy? This is what Kata Keri-Nagy asked faction leader Ivan Pethoe:

[Begin recording] [Keri-Nagy] What is the difference between this new program and the Kupa program?

[Pethoe] The differences can be summed up in three points. The SZDSZ consistently gives first place to the fight against inflation, being aware of the fact that inflation is necessarily accompanied by unemployment. We can only envisage economic stability and social politics together; the Kupa program, that is the government program, does not have a chapter on social policy. This could lead to a catastrophe.

The third difference is that the objectives that are necessary to stabilize the economy cannot be achieved with such a politically-weak government, which is forever forced to make concessions for the sake of the coalition. Thus, this government is unable to realize economic stabilization; this is not a political judgment but a proven fact. We believe that the financial part of the Kupa program has lost its topicality, and this can be traced back to political weakness; therefore, we believe that the Kupa program is impossible to realise.

[Keri-Nagy] Does the SZDSZ have ambitions, perhaps to get into government with this program?

[Pethoe] I think this program fulfills the program conditions; it is sufficient for the SZDSZ to get into government. However, this is not the same as changing legislative power relations. No program is necessary to topple the government. An opposition minister should get a majority vote, and at this moment, it is perfectly clear that there is no chance for this at all since those Smallholders' members of the Assembly who are presently weakening the coalition are, for the time being, loyally toeing the government coalition's line. [end recording]

Minister Signs EC Loan Package Agreement

LD0607213691 Budapest MTI in English 1708 GMT 5 Jul 91

[Text] Brussels, July 5 (MTI)—The European Communities are to grant a loan of 180 million ECU [European Currency Units] (198 million US dollars) to Hungary.

The agreement on the granting of the loan was signed by Hungarian Minister Without Portfolio Katalin Botos and Vice-President of the Commission of the European Communities Henning Christophersen in Brussels on July 5.

The sum is a part of the loan package of 500 million dollars offered by the OECD countries in January 1990. The first tranche of the loan, 100 million ECU, is to be

paid out soon, while the date for the liquidation of the remaining part is to be set jointly by the two sides later.

The loan, to be granted for seven years, will be used to increase Hungary's currency reserves.

Signing the agreement, Christophersen spoke warmly of the economic reforms in Hungary, the great liberalization in prices and foreign trade and the flexiblility she has shown in switching markets.

The EC has undertaken the obligation to grant 50 per cent of the 500-million-dollar loan on the condition that someone else will shoulder the financing of the remaining 250 million dollars. Japan was the first country to undertake to grant the 150 million dollars, while the remaining 100 million ECU was raised by the EFTA [European Free Trade Association] countries, Canada and the US. Turkey has granted 1 million ECU.

Defense Ministry Rejects Soviet Damages Offer

LD0707152591 Budapest Kossuth Radio Network in Hungarian 1000 GMT 7 Jul 91

[Excerpt] [Announcer] Soviet environmental protectionists have admitted that the Army caused damage in Hungary, but not to the value of 60 billion forints. As was made public last week, they admitted damages of 3 to 3.5 billion forints. The Ministry of Defense did not react to this announcement. Can Colonel Gyorgy Keleti confirm that the Ministry of Defense has accepted this statement?

[Keleti] Not at all; we did not accept it. We said that there is a need for further meetings during the summer, where we would discuss the matter and prepare for additional talks. In our opinion, the fact that the Soviets stated this figure, this sum, and they questioned certain Hungarian calculations does not mean anything.

[Announcer] Did the 60 billion forint claim that the Hungarian negotiators confirmed earlier remain the same during the talks? Did our government not allow any change from the 60 billion?

[Keleti] The issue here is not that the government is demanding this money but that competitive experts established with scientific methods the damage and the scale of the damage that the Soviets caused here. On the basis of the current regulations and various calculating methods, they established that this sum is needed to repair this damage. Our view in this matter is the following: Over a period of a few years, and in several places during the course of a few months when they were executing the withdrawal, they caused very serious environmental damage. We cannot allow the restoration of this to go on for several hundred years. [passage omitted]

Foreign Trade Minister Discusses Trade, Debt

LD0407173191 Budapest MTV Television Network in Hungarian 2020 GMT 3 Jul 91

[Discussion program with International Economic Relations Minister Bela Kadar moderated by unidentified correspondent with questions from the audience—live or recorded]

[Excerpts] [Moderator] I wish the audience good evening. I greet you and also the program's guest, Bela Kadar, minister of international economic relations. [passage omitted]

[Unidentified speaker from the audience] The view is widespread among the citizens, and this is also indicated by the press, that our economic relationship with the USSR, and the fact that the USSR is unwilling to pay, can partly be attributed to the government having ruined unnecessarily our political relationship with the USSR.

[Kadar] Perhaps I would not be wise to judge the country's situation, to view problems solely on the basis of press suggestions, or perhaps to judge these on the basis of the opposition parties' opinions, as it would be difficult to avoid the danger of one-sidedness. [passage omitted]

The first criticism is: Hungarian-Soviet relations have ended up in such a critical state because the government has somehow ruined them. It has been inept, and it has been dilettante, as can be interpreted from certain formulations. This is the first question. The first reply: The highest-level decision-maker of the side concerned, the Soviet side, Deputy Premier Sitaryan, noted at a press briefing in reply to a similar question, that there is no political reason whatsoever for the atrophy of relations. This stemmed from the crisis situation in the Soviet economy.

I said long ago, during the earlier government and political system, that if a comprehensive crisis developed in East Europe and in the USSR, we must expect turnover to fall dramatically. In 1989, I predicted this turnover to be 50 percent.

[Moderator] Compared to this figure, it has decreased by 20 percent.

[Kadar] It decreased by 20 percent last year, but by 50 percent alread; this year. Thus, the process of collapse has been more rapid than expected. [passage omitted]

The second question: What do the real processes reflect? In the first quarter of the year, the Soviet Union's imports declined altogether by 45 percent. Thus, this applies to its imports from the West, too. [passage omitted] Hungary is not, from any viewpoint, in a more disadvantageous situation than Romania or Czechoslovakia or Bulgaria, where the opposition uses such criticism to a lesser extent. I consider such criticism to be unfortunate because it arouses disquiet here at home, it

generates political instability here at home, and it contains no truth. This presumption would be true if the Soviet Union's purchases were otherwise to expand very dynamically with all parts of the world, with the exception of Hungary. There is no question of this.

[Unidentified speaker] The Nemeth government admitted the following to the National Assembly: We looked into the size of the stock of debts that Hungary owes. According to the report of the Nemeth government, when this happened, it was 20.5 billion forints, or rather dollars. Please reply: Do we have to pay these debts, and in what installments? [passage omitted]

[Kadar] The debts must be repaid. [passage omitted] Last year was the first year when, as a result of good foreign economic performance, the Hungarian stock of debts, in an unchanged currency basket, thus in so-called European currency units, decreased by 3 percent. In dollars, the Hungarian gross stock of debts is only $20 billion because the dollar has appreciated in value. Consequently, our debts depreciated in value in various currencies such as yen, marks, and Swiss francs. Thus, if you like, the debt service is $1 billion less due to developments in the currencies' exchange rate.

However, it was not only this. Due to the good foreign economic performance, it decreased somewhat in real terms.

So what are our prospects? It is necessary to pay close attention to the stock of debts, not only to how it moves, but also to what is said about it. Unfortunately, the statements of our politicians do not, generally, improve the situation. Rather, they shake confidence in the country. And this has played a role in the strengthening of an opinion in Western banks, in the first quarter of the year, that the collapse of Eastern trade would make Hungary insolvent, and that Hungary would ask for rescheduling.

As a result, the activity of the banks, their activity in providing credits, was until the recently very restrained, and this, to be sure, greatly narrowed the Hungarian economy's financial potential for maneuvering.

They are now beginning to believe what had not been expected last year by financial experts and politicians, that half of Hungary's exports disappeared and that we have still not collapsed because the Hungarian economy has a healthy body that has (?turned to) the West. For example, new entrepreneurs, small and medium-sized enterprises, and well-managed and competitive state-run large enterprises have been able, very dynamically, to increase exports to the West. Thus, the danger of collapse and insolvency has been averted. So they welcome the Hungarian National Bank's credit procurement actions. This performance must be maintained because, to some extent, Hungary's reputation abroad depends on it. We must get through the 12 to 18 months ahead of us. Never have I put it differently. [passage omitted]

In our country, at present, there is a change of political system, a change of economic model. [passage omitted] There is a change in trade emphasis, from the East to the West. However, there is also a dimension of change in mood. This country has lost its faith in the future. It cannot be expected that a country that has lost its faith should save rather than consume, that it should be enterprising, it should train itself, it should introduce technical innovations, that it should have confidence at all. It is not possible, with the mood of a defeated army, to extricate oneself from a crisis situation. For this reason, a change of mood is needed, a change of values, self-renewal, along with the other three dimensions of change. However, optimism cannot replace a solution for getting out of a difficult situation. [passage omitted]

Regarding your question on debt service: It is necessary to constantly and clearly assure all of our partners that we shall fulfill our debt-servicing burdens. Hungary did this after World War I, too, when it was in a much more difficult situation. Since then it has done it, and it will do so in the future too. [passage omitted]

Also, regarding whether this is an impossible task: We are successfully joining the world economy. We shall have exports to the tune of 10 billion [as heard] this year. Out of this, we shall be able to eek out the 1.6, 1.7 billion for servicing interest on the debt that is necessary in order for us to survive, for us to maintain confidence.

[Unidentified speaker] Today is one day after an historical event that I believe has not been given sufficient emphasis in the Hungarian press. I believe that this event is one of the great successes of Hungarian economic diplomacy. I ask, Mr. Minister, what will follow CEMA?

[Kadar] [passage omitted] There was a period when two-thirds of Hungary's foreign trade was linked to the CEMA countries—more than two-thirds. Well, this proportion has decreased. The proportion of dependence on CEMA in the past one and a half years has decreased at a very rapid pace; it is currently under 20 percent. At the same time, in the wake of the successfully changing trade emphasis, the proportion of foreign trade conducted with the West European market economies is now approximately two-thirds. What follows from this?

A country, a small country, must adapt to the countries that are decisive from the viewpoint of their trade and economic development. And now this is not CEMA. Thus, close cooperation with the CEMA countries is unjustified; there is no reason to develop a comprehensive, broad, close system of relations with a country with which only a small proportion of foreign trade is conducted.

Thus, we believe that cooperation with the former CEMA countries must be developed amid bilateral frameworks, when viewed from the aspect of economic processes. Therefore, this does not require a regional organization. On the other hand, there is a need to handle, in a certain way, the legacy of the past. What does this mean? We have unresolved issues regarding property rights, financial issues, and legal matters. The resolution of these issues will

be the task of the liquidation committee, to which I was elected [word indistinct] by representatives of all eight countries. [passage omitted]

There will be a liquidation committee, whose function will be to sort out the remaining property right issues, to smooth over the fate of the secretariat and the apparatus, and to conclude various legal problems. We must complete this in 90 days, which is an enormous task, and parallel to this, we shall have to bring about discussions, then decisions, that will determine the further forms of cooperation between former CEMA countries.

We Hungarians have always represented the position that the desirable solution is a loose, consultative forum, in which primarily the concerned CEMA countries in the European processes—the six European CEMA countries—can discuss the difficulties in the transition to a market economy, in which countries such as Hungary or Poland, that are ahead in this process, can hand over experience, thereby sparing other countries some of the pains of transformation. We can exchange information on how our economic situation is shaping up, on how our trade situation is shaping up—thereby facilitating a deepening of relations between one another. After all, the economy of this region was interwoven over four decades; the liquidation or disappearance of this framework would entail unprecedented pains and losses. So, if possible, we should try to avoid it.

Beyond this, we seek every opportunity to deepen business relations, and there are also certain regional, common problems, for example environmental protection, transport, traffic, telecommunications, for which such a consultative forum could constitute a great help.

[Unidentified speaker] News spreads from time to time that Hungary, Poland and Czechoslovakia are already preparing for some kind of currency, customs, or preferential duty agreement or system. Are such negotiations underway? [passage omitted] Do GATT rules permit such customs unions, which the agreement of these countries would create?

[Kadar] The GATT permits special treatment for regional cooperation and organizations, and we are, indeed, carrying out preparations with these two countries for dismantling the trade obstacles between us. Also, we have already traded such proposals. It is another question, however, how much time it takes for such an agreement to take effect and what can be expected of it subsequently.

We have already moved closer in political cooperation with these two countries—indeed, we have a kind of Central European common fate also at play—but we must clearly see that the share of Czechoslovakia and Poland in Hungary's foreign trade was hardly 5 percent in 1990 and will not be greater this year either; rather, if anything, it will be less. [passage omitted]

With an extraordinary effort, we could increase it to 6, 7 or even 8 percent—so it will not be this that will pull the Hungarian economy out of the trough. Therefore, we should not have excessive expectations.

[Unidentified speaker] What is the reality regarding the EC?

[Kadar] Membership means full integration. Identification with the EC environment evolved over three decades from the viewpoint of the economic environment. It cannot materialise now, even if the EC had invited Hungary to become a full EC member in 1992. In any case, such a danger cannot be overestimated. Our maximum aim is an associate membership accord in 1992 that dismantles a significant proportion of the customs and occasional quota limitations facing Hungarian foreign trade. If we succeed in concluding the accord and the EC states ratify it, it can take effect on 1 January 1992. It will free 60 percent of Hungarian exports from customs. We, too, will grant customs preferences, but with a time delay, and then we will dismantle, to a smaller degree, the customs applied to EC goods. This is needed because the Hungarian economy is not sufficiently trained to compete; therefore, we must give time to Hungarian firms, especially to the new entrepreneurs, to develop the ability to compete so they can stand up to the goods arriving from West Europe. This requires time and a very strong strategy of adjustment.

This is why I think—of course, there are other views—that we shall be able to judge with certainty, in roughly five to six years, the degree to which we are able to accept the obligations of a full membership. In the framework of an associate membership, we are trying to find financial resources to speed up the adjustment of the Hungarian economy and society, and we will also try to create employment possibilities in the EC member states for the Hungarian workforce. [passage omitted]

Soviet Troop Withdrawal on Schedule

LD0607214591 Warsaw PAP in English 1512 GMT 5 Jul 91

[Text] Warsaw, July 5— The withdrawal of Soviet troops from Poland, and the transit of Soviet forces from Germany and Czecho-Slovakia, which began in April, proceeded according to the agreed plan in the second quarter of 1991, the office of the plenipotentiary at the Polish Ministry of National Defence for the withdrawal and transit of Soviet forces announced on Friday [5 July].

The withdrawals have been limited chiefly to headquarters security units and technical support services from the Soviet Air Force, with a small number of military units. In all, 38 rail transports have been employed in the exercise.

In addition, 104 transport and passenger flights have been made across Polish airspace.

The transit of Soviet forces from Germany has so far involved 680 rail transports, comprising 4,737 wagons. Transit from Czecho-Slovakia was completed by the end of May.

Army 'Cannot Be a Factor in Political Bargaining'

LD0707115391 Warsaw Radio Warszawa Network in Polish 0605 GMT 7 Jul 91

[Text] The Army cannot be a factor in political bargaining. In the Sejm on Thursday [4 July] Minister Kolodziejczyk said: We are waiting for a debate and a legislative registration on the apolitical character of the Army, on it being above party politics. The state armed forces are supposed to serve the interests of the nation and cannot be a factor in the bargaining between political parties. The barracks cannot become an arena of political argument and we want to confirm that by our service. That is the desire, I emphasize, of the overwhelming majority of regular soldiers.

Sejm Discusses Taxation System, Other Issues

LD0607162391 Warsaw PAP in English 2207 GMT 5 Jul 91

[Text] Warsaw, July 5—The Sejm (lower house) met on Friday [5 July] to examine two government bills on Internal Ministry and reorganization of state administration, while two bills proposed by President Lech Walesa who seeks amendments to the Constitution and to the newly-adopted electoral law, will be discussed by the Sejm's next meeting on July 11. The deputies also adopted a new personal income tax system that will be introduced in 1992.

On this hot day the deputies also held truly heated disputes on the conflict between Polish and gypsy communities in Mlawa, report of the commission investigating into the illegal imports of alcohol often referred to as "Schnapsgate," and on the situation in Polish television.

The first government-proposed bill provides for the substitution of the Internal Ministry and the office of the Council of Ministers by, respectively, the ministry of public administration, and the chancellery of the Council of Ministers. The second bill is intended to help develop a highly-qualified administrative staff to upgrade the ailing public service.

A new system of personal income tax was adopted today to enter into force on January 1, 1992. Deputy Prime Minister and Finance Minister Leszek Balcerowicz welcomed it as the centrepiece of Poland's new commercial law which is now coming to existence. Under the new law, all Polish people will pay income tax that will only spare sums obtained from prizes and jackpots, official awards, compensations, and interest from savings. Also health rehabilitation costs will be deductible.

The Sejm committee for national and ethnic minorities strongly condemned recent attacks on gypsy houses by youth gangs in Mlawa, north of Warsaw describing the incident as intolerance "which spoils the good reputation of the Polish nation." The Mlawa incident was also discussed by the upper house, the Senate, on Friday.

Proposals for Administrative Changes Announced

LD0707090491 Warsaw PAP in English 1938 GMT 5 Jul 91

[Text] Warsaw, July 5—Important changes in Poland's ministerial administrative structures are proposed in 2 draft laws that are to be submitted to the Sejm by the Polish Government before the end of this month, Krzysztof Zabinski, head of the office of the Council of Ministers, announced on Friday [5 July].

The first proposal, a law abolishing the Ministry of the Interior and the office of the Council of Ministers, envisages radical changes in Poland's public administration. The two bodies will be replaced, respectively, by a ministry of public administration taking responsibility for all the administrative and public security aspects of central government, and a chancellery of the Council of Ministers.

The ministry of public administration will supervise central government administration, and also the activities of local government bodies, subject to legal restraints. This is currently the responsibility of the Polish prime minister. The ministry will also assume responsibility for coordinating investment and procurement for offices of the state administration.

In addition, the new ministry will supervise the activities of the police, the fire service and the frontier guards,

although the office for the defence of the state will be directly subordinate to the prime minister.

The office of the Council of Ministers, an office of the central state administration whose chairman has ministerial rank, will be replaced by a chancellery of the Council of Ministers. The new chancellery will simply offer administrative support to the prime minister and the government, and its head will not have ministerial rank.

The second draft law, on the state public service, envisages the creation of a highly-qualified administrative cadre.

Krzysztof Zabinski said that nominated officials will account for some 15 percent of the total administration, and that employees of the state public service will not be permitted to join political parties.

Zabinski added that the changes in the administrative structure will not lead to mass redundancies. "We will try to ensure that employees of the Interior Ministry and the office of the Council of Ministers will be able to join the new organisations," he said.

Zabinski rejected a suggestion that abolishing the office of the Council of Ministers would weaken the government, and would mark a step on the road to a presidential system in Poland.

Walesa Addresses Warsaw Constitution Conference

LD0607214891 Warsaw Radio Warszawa Network in Polish 1820 GMT 5 Jul 91

[Speech by President Lech Walesa at conference on "the Constitution of the Third Republic" in Warsaw on 5 July—recorded]

[Text] We have rejected the Communist system. We are creating the new economic and state order of an independent Poland. We must meet this historic challenge. Our state's crisis, the elements of slackness and chaos, fosters particular disquiet. This must not, however, lead to the paralysis of the state. Pathology must not become the norm.

As the president, elected in free democratic elections, I must have a particular sense of responsibility for the homeland. For reforms to be lasting, we must put them on solid foundations. They should support the citizen, society, and the authorities. These points of support are lacking at present.

They will not be created by a provisional [kontraktowy] Parliament. They will not be created by small changes to the Stalinist constitution. Its time has gone, together with the political forces that created that system.

The development possibilities created by the roundtable have already been exhausted. They are not holding back the national effort. These barriers must be lifted. A new law must be created, on which we will base the structure of the Third Republic.

The basic law should be the foundation on which to build a new legal order in our state. There is no dispute about a few fundamental issues. The Polish state must guarantee civic rights and freedoms. One should see them as the strength of the new system of government. Second, the Constitution must be based on a cohesive system of values recognized by society. These should be values reflecting the Christian identity of Poles.

Third, the new constitution must be a constitution of a democratic state. It should enable the citizens to widely and actively participate in public life.

Finally, the Third Republic must be an efficient and law-governed state. The division of powers between the executive, the legislature and the judiciary must reflect the need for the state's stability. This is not possible without the existence of a strong political center. A badly prepared constitution can, however, introduce an element of chaos and confusion.

Nobody in Poland should feel swept aside from influence on basic issues.

Walesa Opposes 'Statute of Limitations'

LD0707213191 Warsaw Radio Warszawa Network in Polish 1700 GMT 7 Jul 91

[Remarks by President Lech Walesa to local residents in Gdansk on 7 July; followed by question and answer session—recorded]

[Text] [Walesa] Before we begin I would like to establish how many people here were present at our meeting two weeks ago. Hands up please? Nearly everyone. This was a meeting held after my absence of half a year from here, that is why I would like to speak in our language. I, as I have proven, have not forgotten this language and we talked, understanding each other. However, some took exception to you, your irresponsible behavior, your demagogy, your antics—that is how one can more or less describe the admonishments received from some circles. Of course, addressed to me. Also, offense was taken because the president did (not?) speak (?with you). He is in Warsaw, receives a lot of money—why should he speak to you? This is what they propose to me. I wish to say that I will talk with you, I will meet you, so that together we can see what is being done with Poland, how we represent you and whether perhaps we have separated from you.

So let them be offended, let them shout. Let the men of culture be uncultured. Let them show off. That is their right and freedom. However, I would not like it to transform into anarchy and be reported here and there in such a vulgar manner. I think that...[interrupted by loud applause]...and at the same time what was criticized was that we were undermining the role of the Sejm and the

Parliament, which can be very dangerous. Yes, ladies and gentlemen, this must not be done. But the Parliament must say that it was you, it is us, who have gained through struggle this evolutionary development, but not that a few people will sit down and say that we have developed already, that this is an achievement, that there is no need to do more and there is no need to fight any more. This is a great mistake. A few people have done all right, but not everyone, and this is not the end of the battle. It is necessary to go on, to battle, but not in the streets, not at the cost of your nerves, not with stones, but struggle for the Poland of our dreams. That is why to all those who think that we want to spread anarchy, I want to say that I will not do this, that I want to act to the greatest possible extent within the framework of the law together with you, but I want to mend the law, not forgetting the goals that we set for ourselves.

That is why the future Sejm, the future authorities, must not be insulted as much as they are today, but if they fail to react to the goals, the tasks, of society, then it is difficult to treat them otherwise.

I, in turn, was insulted for the fact that I said that I will gain from society the right to democratically dissolve the Sejm. And now, you consider this. [applause] (?And) I will find out from you whether there is anarchy here. I say that I will attain the right for the legal dissolution of Parliament. People of business—well, be a little more intelligent. If he [Walesa] speaks of the law, then there is no danger and no dictatorship.

[Unidentified voice] Questions?

[Walesa] Questions, please.

[Unidentified voice] When will the president and the Prosecutor's Office get to grips with the property-enfranchised communist apparatchiks and also other smugglers and thieves formerly robbing the Polish People's Republic and now the Republic, through companies and various scandals, for instance the alcohol affair, the smuggling of gold, and so on? And a second question tied to this: Must we wait for a campaign against fraudsters until the Sejm elections?

[Walesa] Ladies and gentlemen; it is not necessary to wait. I, on canvas of this question, wanted to say more broadly—if this Parliament makes resolutions and bills, and will property-enfranchise, or else will say that this is an end to the affair, a thick line, and it is good that you [word indistinct], this is yours, then I promise this Parliament that I will do everything for the next Parliament to repeal this and once more get down to...[cheering and applause]

The president states: there will be no statute of limitations for deceit, robbery, and looting of the national wealth. [applause and cheering] And he warns Parliament, that if such laws are adopted by it, if the laws have allowed for such activities, then these laws will be changed if Parliament is chosen in free elections.

Of course, they will justify themselves by saying that the law does not apply in retrospect, so today, early, I appeal for such a law not to be passed. Because if it is passed, we will have to change it. [applause] I have been elected to make sure there is the best possible honesty. With reference to your questions, I would like to ask you the following: We can regain everything, we must change everything, this was a contractual Parliament [parlament kontraktowy], many laws have already been set in such a way that they will have to be changed quickly, but these are laws, and these are the costs of the revolution. Every revolution has costs, nothing is free in this life. Our revolution has costs as well. Let this cost be not too big, let this not last too long. May we quickly tackle what is possible and save what can be saved. I believe deeply that you will not listen to the whispers telling you not to take part in public life, to say what some are saying already—[that] this Solidarity means an even bigger mess. Yes, ladies and gentlemen, this is correct, but the struggle has not ended yet; today we are witnessing a counterattack of those (?who destroyed the economy), who gave themselves the right—except our disaster is that some, to the left of this society, have joined them and are clearly helping them, and I think you notice this.

I hope that the healthy society, healthy patriotic stream, will get all this under control, but together with the president and the deputies whom you must elect. If you fail, and I fail with you, then we will have the Poland we create. I deeply believe, I repeat, that you will not allow yourselves to be fooled this time and that you will elect the proper people (?who will govern properly) from the bottom to the very top.

Poll Reflects Support for Parties

LD0607161491 Warsaw PAP in English 1150 GMT 5 Jul 91

[Text] Warsaw, July 5—In a nationwide poll on the coming parliamentary elections launched recently by the Sopot-based Public Opinion Polling Centre (PBS) for the "GAZETA WYBORCZA" daily, 68 per cent of the respondents declared their will to vote while 29 per cent of them said they would vote for the "Presidential Party", provided Lech Walesa established one.

The support for "Walesa's Party" was the strongest among the respondents with only primary education and among those over 40 years of age.

The poll showed that the existing parties may expect the following support in the coming voting: the Democratic Union—18 per cent, the Liberal-Democratic Congress—10 per cent, the Centre Alliance—9 per cent, "Solidarity" and the "X" party—8 per cent each while Citizens' Committees, Peasant Parties and the Polish Beer Lovers Party—6 per cent each.

Iliescu, NATO Chief Comment on Meeting

AU0507145691 Bucharest ROMPRES in English 0823 GMT 5 Jul 91

[Text] Bucharest, ROMPRES, 5/7/1991—As we have announced, President Ion Iliescu received on Thursday [4 July] NATO Secretary General Manfred Woerner.

After the meeting, the NATO secretary general made a statement for the press: "I am very happy to be here. We had a very interesting friendly talk. We discussed Romania's progress, its reform, its foreign relations and its relations with the North Atlantic Alliance, and we could see that our view of a united and free Europe of which Romania is a part is shared here. We will intensify our relations and we will try to build together the Europe of tomorrow".

President Iliescu said in his turn: "I think that the very presence of the NATO secretary general in Bucharest and his attendance of the international symposium on perceptions and concepts of security in East Europe are themselves a political moment. Two years ago the presence of the NATO secretary general in Bucharest was unbelievable. This at least is something that those people who deny the radical changes in the Romanian political life should think about. I must note the frankness of our talk. We realize that things have changed fundamentally also inside NATO which considers itself involved in the process of rapprochement and removal of the sources of mistrust and of building a new framework for equal security for all European states.

"We welcome this opening and these positions which are very promising for the all European process. I had a frank and amiable talk with Mr. Woerner on our problems and our concerns, on the development of our political and economic processes and on the attention we are paying to the development of our relations with West European structures, with the European countries," President Iliescu also said.

Nastase, Woerner Statements

AU0507204791 Bucharest ROMPRES in English 1947 GMT 5 Jul 91

[Text] Bucharest, ROMPRES, 5/7/1991—Friday [5 July] at noon NATO Secretary-General Manfred Woerner and Romanian Foreign Minister Adrian Nastase took part in a news conference arranged at the end of the NATO high dignitary's visit to Romania.

In his statement, Mr. Woerner said inter alia: It has been a successful visit. I have been encouraged by what I could see and hear. Romania has taken the democracy and market-economy road. It deserves to be supported like the other nations in Central and Eastern Europe. Our alliance wishes to help Romania that is encountering difficulties, deprivations and sacrifices. We are confident in Romania's determination to continue the reforming process, and to apply the Paris Charter. Romania will play a special role in the building of a genuinely free and unitary Europe in which each and every state's security will be guaranteed. We wish to become Romania's partners as we do not want to leave it alone, isolated.

I should like to express my appreciation for the open talks I had with the president, the prime minister, the foreign minister and the defense minister. I have also been impressed by the discussions with the Parliament members, with all the parliamentary groups.

Our principal concern is to see this continent freed from any form of constraint or intimidation. We wish Romania integrated ever better into a regional and all-European framework of cooperation.

We wish to strengthen our diplomatic ties with Romania.

President Iliescu honored us to accept the invitation of speaking before the North Atlantic Council early next year. Defense Minister Spiroiu also accepted my invitation to come to Brussels in the near future following the highly appreciated visit Romanian Premier and Foreign Minister Nastase paid to NATO.

We want to express our attachment to the principles of partnership and security that will be built through the application of an aggregate of initiatives, including the calling of high official and expert meetings by NATO and Romania on matters of joint interest regarding security, the intensification of military contacts between the NATO and Romanian authorities, the participation of Romanian experts in certain activities of the alliance, in scientific and environmental protection programmes included, and in the progressive development of NATO's intelligence programs.

In his turn, Mr. Nastase stated: I express my satisfaction at the NATO secretary-general's visit to Romania which has for us three essential significance: it is the first Romanian visit of a NATO secretary-general, it is the first one to an Eastern country after the dissolution of the Warsaw Treaty, and it was completed in a very useful manner by a meeting on perceptions and conceptions on East European security. We hope that such contacts will amplify and our relations will develop in a new vision already defined by NATO as regards Eastern countries.

We have been very pleased to hear the NATO secretary-general saying that Romania has its own role to play, that it is a member of the European family not only from a geographical and historical point of view but also from the perspective of a joint, intelligent action toward creating a new identity, a new formula of the future. Likewise, it is the beginning of a new relationship between Romania and NATO underlain by the alliance's principles which we accept and understand. We could notice the importance of a direct contact between our country and the Western countries.

We can draw too many lessons from what is happening in Central and Eastern Europe, from what is happening

in Yugoslavia not to try to promote wise, intelligent policy in this region of our continent.

Answering the questions Mr. Woerner contradicted the thesis according to which the former Eastern block would have been split into a favored European subregion and a peripheral one, the latter being made up of Romania, Bulgaria and Yugoslavia, showing that NATO's intention was to take a non-discriminatory attitude toward the former communist countries. We treat Romania as we treat any other state in Central and Eastern Europe provided that it goes on on the road of reform and observance of human rights.

Asked whether he was going to plead for Romania's cause in the West, the guest said: I have reached the conclusion that Romania deserves our support, our aid, and its image must be corrected to a certain extent, warning at the same time that the West will no longer ignore a crisis similar to last summer's.

Roman Asks Group of Seven for Assistance

AU0507145891 Bucharest ROMPRES in English 0830 GMT 5 Jul 91

[Text] Bucharest, ROMPRES, 5/7/1991—In connection with the conference due in London of the Group of Seven leading industrialized states (G7), the agenda of which will include also the support the G7 will give to the process of reforms in the countries of Central and Eastern Europe, Romanian Prime Minister Petre Roman addressed on June 24, 1991 a letter to British Prime Minister John Major asking that the heads and prime ministers of the seven leading industrialized nations should heed the outstanding importance of assisting in the process of transition and, in that context, take account also of Romania's objective needs.

Also, the Romanian prime minister suggested the organization in Bucharest in the latter half of 1991 of an international economic meeting, with the participation of G7 representatives and of countries of Eastern and Central Europe, to the end of articulating coherent programs in support of the economic reform and in the spirit of the understandings that would have been reached in London.

As an alternate solution, the Romanian prime minister proposed that such meeting be organized in Bucharest to discuss only Romania.

Isarescu Comments on Currency Convertibility

AU0507164691 Bucharest ROMPRES in English 1336 GMT 5 Jul 91

[Text] Bucharest, ROMPRES, 5/7/1991—Mugur Isarescu, governor of the National Bank of Romania, said in his address to the joint sitting of Romania's Parliament, on July 4 that the major disbalances in the national economy have generated an estimate chain blocking of payments worth 400-600 billion lei. The program of mending this situation that threatens to snowball and generate in the end a general blocking of the productive activity proposes an overall compensation of the outstanding payments in the economy, that will be made by the commercial banks. The compensation, due to start on July 8 and end on August 31, will gradually deblock, by the beginning of next September, the payments flow in the economy.

The current program of rehabilitation provides for the payment deblocking only concomitant with the actuation of the market mechanism, which will allow for telling the profitable economic branches from the unprofitable ones.

Mugur Isarescu then presented the principles the National Bank would promote by collaboration with the government toward reform, rehabilitation and restructuring of the Romanian economy:

1. The settlement of the relations between enterprises, on the one hand, and the state budget and banks, on the other hand.

After the state takes over the losses and overdue credits, Mugur Isarescu said, the economic agents will have to compete in normal conditions, through self-sustaining, i.e. they will have to meet their costs out of incomes in order to avoid further losses.

2. Provision of sound bases for credit and interest rate.

Whenever a credit is applied for, the interest rate shall be set in such a way as to temper economic venturesomeness. It shall however be higher than the inflation rate, so that the creditors may not incur losses and savings may be equally encouraged.

3. Keeping inflation rate under control.

In order to avoid inflation spiralling, the government and the National Bank allow cost-push inflation [to] emerge right after price liberalization, estimated at a yearly 140-160 per cent and, concomitantly, keep under control, at an annual rate of 15 per cent, the underlying inflation that sets in after an adjustment leap of prices. It is assessed that this target can be attained only by controlling the growth of the money supply set at 15 per cent and gauging the credit correspondingly.

4. Updating the payment system and guaranteeing the payment commitments.

The deblocking of the overdue payments by encouraging non-cash payments and discouraging cash payments will ease the current overwhelming pressure on the ready money generated by the rising payments for wages. Just the same, payment instruments specific to the market economy—cheques and bills of exchange—that will guarantee the meeting of the due payments and will diversify the modalities of payment and credit, will be introduced. The National Bank has drafted in this connection a bill of exchange and cheque law for which an emergency procedure was demanded in the Parliament.

5. Balancing the payments and achieving the convertibility of the leu.

The two exchange rates of the leu is necessary in the current economic context, in order to simplify the foreign exchange regime. However, as the process of unification depends upon the country's foreign exchange reserves, the getting of the first installment of the loan from G24 and the current installment from the IMF are of crucial importance, stated the governor of the National Bank of Romania.

Dijmarescu Addresses Parliament on Economy

AU0507165091 Bucharest ROMPRES in English 1323 GMT 5 Jul 91

[Text] Bucharest, ROMPRES, 5/7/1991—Romanian Economy and Finance Minister Eugen Dijmarescu outlined on Thursday [4 July] in a joint session of Parliament several economic and financial problems facing Romania, and a number of measures and actions that the government plans to take. Showing that last year's GNP had dropped 7.8 per cent on 1989 and that last May industrial production trailed by almost 30 per cent the production of May 1989, the speaker said: The country's balance of trade at the end of five months posted a deficit of about one billion U.S. dollars, with imports for convertible currency accounting for 98.7 per cent of the achievements of the same period last year, but rising 64 per cent on the same period in 1989, i.e. 21.1 billion U.S. dollars. That came at a time when the collapse of the clearing system in transfer rubles brought with it a 75.3 per cent decline in imports from former COMECON states.

However, the Romanian minister said, the imbalance between work and wages was by far the worst. Whereas the real wage last May averaged 94.7 per cent of its 1989 level, as a result of the 2.17-time increase of the average net nominal wage from October 1990, industrial production had dropped 29.4 per cent and productivity was 21 per cent down.

To improve the financial position of enterprises, the government wrote off, in the course of 1990, the losses made by 3,035 industrial, agricultural, cooperative and services units over 1982-1989 which amounted to 346.9 billion lei. However, because we lacked the resources, at the end of last year we had yet to make up for 83.3 billion lei worth of losses from the activity for 1989 and 41.5 billion lei worth of losses from the activity for 1990.

At the same time, said the speaker, the government jointly with the National Bank of Romania decided on a general deblocking of all inter-enterprise payments through compensation, on the basis of bank credits. However, both these measures can be taken for a last time, he said. He also showed that the labor contract bargaining in basic branches of the economy puts further strains on the budget which should give the extractive, power and metal industries, and railroad transport 193.3 billion lei in subsidies, adding to which are another 43 billion lei for the food industry, 35 billion lei for health, nine billion lei for education. The budget—readjusted to the 1 April 1991 price level—does not have that money, he said.

Minister Dijmarescu then referred to the measures the government plans to take in order to get the economy out of its present state. Six basic measures are planned as part of this economic stabilization programme: 1. Deblocking payments; 2. Rehabilitating losses; 3. Privatisation; 4. Abolishing indicative price ceilings; 5. Bankruptcy proceedings for enterprises that cannot be saved by economic financial and property restructuring; 6. Unification of the exchange rates and the introduction of a single hard-currency system under the control of the National Bank of Romania.

The government is determined to stop inflation and bring its current annual rate down through a tight grip on the money supply and lawful prices in a competitive market, the minister said.

On the scale of funding required by the general deblocking of payments, relieving enterprises of the losses made in 1989 and 1990 Mr. Dijmarescu said there was still an alternative for the banks and the budget to recoup their huge spending towards the past by selling the state assets through the planned procedure.

In the end Mr. Dijmarescu referred to the main provisions for the rehabilitation of the losses of the economy that could not be backed at the end of 1990 and the abolition of the indicative price ceilings. He showed that as payments would be deblocked, the losses made by state economic agents in 1989 and 1990 that have no backing would be taken over by the state (90 per cent) and by commercial banks (10 per cent).

After this is done losses made by economic agents will automatically lead to a rehabilitation mechanism and eventually bankruptcy proceedings.

As far as the abolition of price and tariff ceiling is concerned, the government takes the view that prices for basic raw materials, electricity and heat, some liquid fuels, and railroad tariffs will be negotiated by economic agents who assume full responsibility for them unless the law requires them to apply to the relevant ministries and the department for prices and protection of competition for advice.

Government's 'Macroeconomic Measures' Viewed

AU0607143891 Bucharest ROMPRES in English 0811 GMT 6 Jul 91

[Text] Bucharest, ROMPRES 6/7/1991—The package of macroeconomic measures presented by the government in the Parliament's joint sitting of July 4 includes inter alia: The general deblocking of payments between economic agents and between them and banks, the purge of losses incurred in 1989 and 1990, by including them in the government's public debt, abrogation, w.e.f. [with

effect from] July 1, 1991, of orientative ceilings of prices, so as to give course to negotiated salaries which, for the moment, are not covered by either production earnings or budget resources, keeping inflation under control, by maintaining underlying inflation at an annual rate of no more than 15 percent, allocation of corrective subsidies to sectors subject to external influences and the raising of the current year's deficit to 50 billion lei, i.e. 1.4 percent of the GNP, the institution, as of the third quarter of the year running of additional fiscal measures, including a minimum custom duty on all types of imports, differentiated income tax cuts for parents, commensurate with the number of children, w.e.f. January 1, 1992. To stimulate profit accumulation and also development and salary funds deriving thereof, the government proposes the amendment of profit taxation by diminishing taxation rates as of January 1, 1992 at the latest.

The package of measures also includes: The growth of the money supply by 15 percent during the year running and of bank assets by 77.5 billion lei, the launching, in the second semester of 1991, of a public loan worth of minimum 37 billion lei to cover budget deficit and government commitments, to purge enterprises' losses and bad credits, bank auctions, w.e.f. third quarter of 1991, under the surveillance of Romania's National Bank, introduction of bankruptcy procedures for enterprises that can be saved from bankruptcy neither through payment deblocking nor through bank-accepted minute economic-financial restructuring programs.

For a consistent and fair social protection, the government envisages an average income indexation of maximum 40 percent for the overall pay fund, varying from medium to higher with the disfavoured social segments (pensioners, those living on social welfare) to cope with price rises, price control over 14 staple products and services, until the end of 1991.

As for the privatization of state assets in industry and service sectors, the government envisions that, parallel to debates in Parliament on the privatization bill, all ministries shall advance privatization projects for their subordinated commercial companies within 60 days. Wherever public corporations are oversized and artificially formed, the competent ministries shall propose, within the same time limit, reductions on their size and number.

Another target of the government is the conclusion by October 1, 1991, of the process of land ownership transfer.

As soon as the first installment of the loan granted by the Group of the 24 arrives, the two parallel rates of exchange of the leu will be unified for all products and goods imported and exported.

In order to stimulate plant and animal production, the government will resort to guaranteed prices commencing 1991/1992 farming season.

Federal

POLITIKA Views Economic Effects of Crisis

LD0407122791 Belgrade TANJUG in English 0929 GMT 4 Jul 91

[Text] Belgrade, July 4 (TANJUG)—The Belgrade daily POLITIKA today writes that 'the consequences of secession of the republics of Croatia and Slovenia will be a total economic collapse of Yugoslavia.'

The daily in the first place warns of the huge funds which will be used on armaments, recalling that the 'war in the Gulf cost 300 billion dollars.'

'Yugoslavia this year will be left without five billion dollars worth of foreign credits as well as two billion dollars for rescheduling due foreign debts', the daily writes.

The article in POLITIKA indicates that the country's foreign exchange reserves dropped to 4.6 billion dollars which 'practically equals the sum which should be paid to foreign creditors', noting that the reserves could further drop to 2.7 billion dollars by the end of August which would force Yugoslavia 'to proclaim a moratorium on repayment of foreign debts.'

The daily cites that in the five months of this year, the trade deficit was twice as great as in the same period last year, and stands at around one billion dollars while a net outflow of 600 million dollars in the form of remittances has been registered.

'The losses in revenues from tourism and transits will be measured in billions of dollars', the daily warns, citing also the fact that 'foreign exchange savings have dropped by 1.5 billion dollars.'

The fact that there is also no economic policy for this year comes as a warning, the daily underscored, as well as that the federal budget cannot be adopted, without which there is no agreement with the International Monetary Fund (IMF).

The total drop in production will stand at around 50 percent, POLITIKA writes, elaborating, that the current 23-percent drop should be attributed to the federal government, while another 23-percent drop is expected in the next period of the disintegration of Yugoslavia. Due to the drop in production, 'several millions people may be left without jobs', POLITIKA writes.

Text of Brioni Declaration Issued

LD0807110391 Belgrade TANJUG Domestic Service in Serbo-Croatian 0837 GMT 8 Jul 91

[Text] Brioni, 8 Jul (TANJUG)—A joint declaration for the peaceful resolution of the Yugoslav crisis with two annexes was adopted in Brioni last night. The declaration was adopted by all the Yugoslav participants at the negotiations and the foreign ministers of the Netherlands, Luxembourg, and Portugal—Hans Van den Broek, Jacques Poos, and Joao de Deus Pinheiro.

The text of the declaration and the two annexes is as follows:

Joint Declaration

At the invitation of the Yugoslav Government, the ministerial troika of the EC held talks on 7 July 1991 in Brioni with the representatives of all sides directly involved in the Yugoslav crisis.

The aim of the mission of the ministerial troika was to create appropriate conditions for peaceful negotiations between all sides. All sides took cognizance of the declaration of the EC and of its member-states of 5 July 1991 and confirmed that the EC proposals of 30 June 1991 will be fulfilled in their entirety in order to ensure a cease-fire and facilitate negotiations on the future of Yugoslavia.

In connection with these proposals, further modalities were agreed to in Annex I.

All sides agreed that the following principles must be followed to the letter in order to ensure a peaceful solution:

—Only the nationals of Yugoslavia can decide their own future.

—The development of a new situation in Yugoslavia has come about requiring careful supervision and negotiations between the different sides.

—The negotiations must begin as a matter of urgency, no later than 1 August 1991, on all aspects of Yugoslavia's future, without any preconditions and on the basis of principles stated in the Helsinki Final Act and the Paris Charter on the New Europe (this relates in particular to human rights, including the right of nations to self-determination in keeping with the UN Charter and corresponding norms of international law, which also means those relating to the territorial integrity of states);

—The collective Presidency must have full authority and play its political and constitutional role regarding the federal armed forces.

—All sides will refrain from any unilateral steps, especially from all violent acts.

Regarding the EC and its member-states, they will help find peaceful and lasting solutions to the present crisis, on condition that there the abovementioned commitments are strictly followed. In this context, the EC and its member-states accepted the request of the other parties for help and the smoother unfurling of the negotiation process.

Their assistance can take the form of supervising the progress of the negotiations and of expertise for the working groups to be formed by the interested sides. This includes, among other things, legal questions and questions relating to human rights, including the rights of national minorities, economic and commercial questions, and questions of security. In view of the decisions

adopted in Prague in the framework of the CSCE, they agreed to send at the earliest possible time a supervisory mission to stabilize the cease-fire and to supervise the implementation of other elements of the agreement achieved between the Yugoslav sides accompanied by the contribution of the EC. The guidelines for this preparatory mission are set out in Annex II.

All the Yugoslav sides have committed themselves to supporting the envisaged supervisory mission, something which will ensure that it has full protection and that its freedom of movement is guaranteed.

All sides agree that the protection of the minority population is of vital importance for the successful outcome of negotiations. They also confirm that in this respect they will fully respect their obligations under international law.

The European troika is ready to inform all CSCE member-countries about the development of the situation in connection with the negotiation process.

Annex I

Other modalities in the preparation of the negotiations are:

1. Border Arrangements

The control of border crossings will be taken over by the Slovene police. They will operate in keeping with federal regulations.

2. Customs

The agreement signed by representatives of the Federal Government and the Republic of Slovenia on 20 June 1991 is confirmed and will be implemented. Customs will remain a federal revenue and they will be collected by Slovene customs officials. They will be paid into a common account which will be controlled by the federal and republican finance ministers, along with one or two additional external inspectors.

3. Control of Air Transport

There is only one control system for air transport for the whole of Yugoslavia. The whole of domestic and international air transport through Yugoslavia is controlled and guaranteed by the relevant federal organ.

4. Security on the Borders

The situation at it was prior to 25 June 1991 will be established. During the period of the suspension (three months) of the declaration of independence negotiations will take place in order to facilitate the regular transfer of all the authority of the Yugoslav Peoples' Army [YPA] in this field. The establishment of this regime on the border, which is based on European standards, also remains a firm orientation.

5. Other Modalities in the Preparation for the Cease-Fire

—the unblocking of all units and facilities of the YPA;
—the unconditional withdrawal of YPA units to their barracks;
—the removal of all barricades on roads;
—the return of all resources and equipment of the YPA;
—the deactivation of units of the Territorial Defense and their return to original positions.

All these measures will come into force as soon as possible and by 8 July at 2400 hours [2200 GMT] at the latest.

6. Prisoners

All persons imprisoned in connection with the hostilities on 25 June 1991 must be released as soon as possible, and by 8 July at 2400 hours [2200 GMT] at the latest. In connection with the implementation of this decision, there will be cooperation with the International Red Cross.

Annex II

Introduction

The situation in Yugoslavia affects all CSCE member countries. The committee of high-ranking officials, at its session in Prague, considered the possibility of sending a multinational mission of observers to Yugoslavia. It is obvious that such a mission can work only with the full agreement of all interested sides. In order for the mission to carry out its tasks, it is essential to define its mandate and specify its rights and duties. The financing of this operation and a whole series of practical questions must also be established. To this end the following elements are proposed:

Mandate

An observer mission will be formed with the task of supervising the situation in Yugoslavia, and in particular activities in Slovenia and perhaps also in Croatia. The purpose of the mission is to supervise the implementation of the remaining elements of the agreement achieved between the Yugoslav sides accompanied by the contribution of the EC.

Duration of the Mandate

The observer mission must be enabled to begin its work as soon as possible. The observer mission will operate for as long as the interested sides consider necessary.

Where It Will Carry Out Its Activities

In the present conditions the mission will limit its activities to Slovenia and perhaps Croatia. If necessary, the area of its activity can be reconsidered with the agreement of all interested parties.

Composition (of the Mission) and Method of Operation

The observer mission can be of mixed composition, i.e. its members can be both military personnel and civilians.

The mission may comprise between 30 and 50 members. As it is important to operate in the most expeditious way, the selection of members of the mission should not slow down the beginning of its operation. One practical solution could be that observers from among civil and military members of the CSBM [Confidence and Security Building Measures] delegation in Vienna be engaged, where expertise already exists with respect to the CSCE process. They can be joined by other civilians and/or military personnel.

The mission wil be set up by the Center for Coordination in Yugoslavia. From this center small teams—of, for example, two members—will be sent to various sectors. One liaison officer from each opposing side will be appointed to monitor these observer units at all times.

Command and Supervision Structure

Observer units will work under the supervision of the head of the observer mission. The head of the observer mission will make daily reports, via the CSCE Secretariat in Prague, to the committee of high-ranking officials. The committee should be the appropriate body in which account will be taken of all the activities of the observer mission and decisions made as to whether the mandate of the mission will be extended if this is necessary.

Legal Questions

It is necessary to ensure legal conditions so that the mission is in a position to carry out it tasks. This includes ensuring diplomatic immunity as well as freedom of movement and communication in Yugoslavia, which also implies communication with the center for coordination and with embassies.

Practical Questions

Among the many practical questions that should be resolved are questions relating to means of transport and to ensuring translation services that must be made available to the observer units, as well as in what way the observers will be identified as members of a CSCE observer mission.

Since the observer mission is not a peace-keeping force, its members will not bear arms.

Mesic Meets Press on Unrest

LD0607130591 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 6 Jul 91

[(Mirjana Rakela) report on news conference by Federal Presidency President Stipe Mesic with unidentified correspondents in Zagreb on 6 July; Mesic remarks recorded]

[Text] [(Rakela)] At the news conference, SFRY Presidency President Stipe Mesic answered many questions from journalists. In reply to a question as to whether General Kadijevic told him why, after the agreement reached the SFRY Presidency, there had been Army movements in Slavonia and Krajina, Stipe Mesic replied:

[Mesic] Gen. Kadijevic could not have said what (?would happen after the deadline expired). That is, there is now a constituted State Presidency, and it has the function of supreme commander. Therefore, any use of the Army can only take place when approved by the Presidency, because without the Presidency there can no longer be any use of the Army. There are contradictory views on the use of the Army thus far.

The Federal Executive Council [FEC] says that it did not call for the use of the Army. Ante Markovic has distanced himself from this. He said that, if necessary, in implementing his decisions, he would seek the assistance of the federal secretariats for internal affairs and national defense. As for who approved the use of the units and the use of arms, this will be established in peace, and that is why we need to achieve peace as soon as possible and to establish in peace what happened before, who did what, who made what move, who had the right to, and who did not make the moves for which he was responsible.

As far as Croatia is concerned, Croatia has also, like Slovenia, agreed with the EC that the Army would withdraw to its barracks. As soon as the Army withdraws to its barracks, all those outlaws, all those detachments [words indistinct] White Guards, hawks, Bozuri, as they call themselves, will go back to where they came from, and normal communications will be established with the people, that is, both Serbs and Croats in all areas of Croatia will very quickly reestablish communications because there will no longer be those who are really generating the crisis in Croatia.

[(Rakela)] To what extent, as supreme commander, was he acquainted with the potential Yugoslav People's Army action called Shaken Country and what could he say about it?

[Mesic] I can't say anything because the Army has not informed me about this, and whether such plans existed before, some kind of programs of this kind, I don't know. Officially, however,I have not heard anything about this.

[(Rakela)] In view of the battles being waged on the Croatian-Serbian border, is it certain that the agreements reached at the level of the Presidency and between the presidents of the republics will be observed? Or will they get out of control? A second question referred to the claim of the Serbian minority in Croatia, that if the Army withdraws, there will be fierce clashes.

[Mesic] There are no conflicts between Serbs and Croats. I have always claimed—and the facts support this—that there exists a conflict between the Croatian authorities and the outlaw detachments brought in from outside. It is also a fact that there exist militant groups and individuals who are joining these outlaw bands. As soon as the Army goes, be assured there will be no bloodshed. The Chetniks will run for their lives back to where the came from.

[(Rakela)] In reply to a question from a REUTER correspondent on damages and whether the damages in Slovenia will be covered and by whom, SFRY Presidency President Stipe Mesic, answers:

[Mesic] At the Presidency session I called for the problem of damages to be included in the points, damages inflicted, but this was not adopted, and it is certain that there will be discussions on this and that there will be a number of unclear points. It would be good if the problem of damages was included in the points adopted by the Presidency.

[(Rakela)] When is he expecting the withdrawal of the Army from eastern Slavonija and the so-called Krajina so that the Croatian authorities can ensure implementation of the legal order on the territory of the whole of the republic?

[Mesic] It seems that some circles which have the ambition of redrawing the borders of Yugoslavia and creating greater Serbia on the ruins of Yugoslavia do not want peace, do not want peace either in Slovenia or Croatia. You see, as soon as we started negotiating about peace, these detachments have stirred up, and they are attacking from all sides, because they want to destabilize not only Croatia but also the whole of this territory. I believe that reason will prevail, and that is the one of the Army, and that they will accept very quickly what was accepted in Slovenia, that the Army should return to its barracks. There is no need for the Army to concern itself with politics. The political issues should be resolved by political means. There is no chance, while Europe recognizes the borders, both internal and external, that anyone should imagine that it is possible to create Serbia from Croatian territories. This illusion must be dispelled, and those who came with weapons in their hands to change these borders will have to return home empty handed.

[(Rakela)] The last three questions: Who authorized the aggression on Slovenia, and will someone from the command be held responsible for this? Will the Army withdraw and obey the order of the Presidency? What is the future of the state of Yugoslavia without Croatia and Slovenia? Stipe Mesic replies:

[Mesic] In reply to the first question, I can say who did not authorize the use of the Army. This was not the Presidency, which had not even been constituted. The FEC distanced itself from it, and who gave the order will be established later. If the law has been broken, someome will be held responsible, and we will establish who this is.

Then we had the second question: Will the Army obey the Presidency? It must obey the Presidency. If it did not obey, that would be unconstitutional, and we know what that means. I think that no one will attempt this, not even those who are the loudest and who want to go to the very end, and this means war. They will not have this opportunity.

The future of Yugoslavia without Slovenia and Croatia? You see, Croatia and Slovenia have adopted the decisions on sovereignty, and they have adopted the decisions that they are embarking on the process of dissociation. These two republics gave the deadlines for agreement on the essence of our future coexistence. What will this new association look like? This third issue had not been agreed by the deadlines, but both republics said: While the process of dissociation lasts, doors remain open for a future agreement on the association of sovereign states [words indistinct] or whatever you call it.

Mesic Rules Out Further Bloodshed

AU0607063791 Hamburg BILD in German 6 Jul 91 p 4

[Interview with SFRY Presidency President Stipe Mesic by Eberhard Laib; place and date not given: "Mesic: The Generals Must Obey Me"]

[Text] [Laib] Will the Army march again, if Slovenia does not cede control of the borders to Yugoslavia by 1200 tomorrow?

[Mesic] No, the Army will stay in the barracks. It is under the political control of the state Presidency. We solve conflicts by political means. There will be no further bloodshed.

[Laib] What type of solution will there be?

[Mesic] The solution will be this: The Slovenes will retain control at the border offices; however, the customs fees must be turned over to the Federal Government. In this way Slovenia can keep its sovereignty.

[Laib] Yugoslavia's Prime Minister Ante Markovic has said that the Army acted on its own initiative. Will some generals now be fired?

[Mesic] Markovic did not say it this way. He said that he did not give orders to the Army to march out. We will have to find out who gave such orders; we must find the guilty person. It cannot be ruled out with certainty that some general or another will lose his job.

[Laib] You are the supreme commander of the Army. Do the generals obey you?

[Mesic] They must obey me; they do not have a choice.

[Laib] How will the conflict regarding the Serbian minority in Croatia be resolved?

[Mesic] There is no conflict between the Serbian minority in Croatia and the Croatians. However, there is a certain enmity between the Croatian authorities and Serbian terrorist groups. They are armed, trained, instructed, and financed by Serbia. As soon as we have got rid of these terrorist groups in Croatia, there will be peace again.

[Laib] Could the Serbs overthrow you?

[Mesic] No, by no means. We have a system in the State Presidency that prevents such a possibility. As long as Croatia backs me I will remain in the State Presidency.

[Laib] How do you see Yugoslavia's future?

[Mesic] The country's future lies in a community of equal and sovereign states. There is no need for Slovenia and Croatia to secede. It is necessary to restructure Yugoslavia; then there will be no reason for war any more.

Mesic Voices Optimism for Peaceful Solution

AU0807084791 Hamburg DER SPIEGEL in German 8 Jul 91 pp 124-125

[Interview with SFRY Presidency President Stipe Mesic by Renate Flottau; place and date not given: "Heads Can Roll Later On"]

[Text] [Flottau] So far, Slovenia has shown little readiness to compromise. Will there be another bloody conflict with the Army?

[Mesic] There is readiness to compromise on both sides, but the situation is being exacerbated by the excesses of individuals. These incidents are being exaggerated by some people looking for an excuse to break off the talks.

[Flottau] How will the State Presidency react if no agreement can be reached?

[Mesic] We have not issued an ultimatum, only a target time. If our demands are not fulfilled, we will sit down again and discuss which steps have to be taken in the future. In any case, there are no threats whatsoever from the Army.

[Flottau] Who set it in motion on 26 June?

[Mesic] The government only said: The state of affairs before 26 June must be restored. The Army should help, not in the sense of a military operation but by holding its position along the borders.

[Flottau] Nothing was achieved. Slovenia has again hoisted the Slovene flag at the Yugoslav border checkpoints and claimed that Yugoslavia did not have any borders with Italy and Austria.

[Mesic] But we will not wage a war because of that. On the customs issue, the federal Finance Ministry and the Slovene Finance Ministry will have to find a joint solution.

[Flottau] Slovenia also does not want to recognize the moratorium.

[Mesic] It was concluded in the presence of the European "troika" and says that the declarations of sovereignty will be frozen for three months. The Slovenes must understand that sovereignty is a process that cannot be achieved at breakneck speed. They are not yet sovereign. No other country has recognized them. In this case—despite all illusions—the internationally recognized sovereignty of Yugoslavia continues to exist, whether we like it or not.

[Flottau] Some Western countries have repeatedly indicated that they will probably recognize Slovenia and Croatia if the Army intervenes again. Wouldn't this make Slovenia provoke the Army now?

[Mesic] There are at least two sides to every quarrel. Each wants to benefit. We must not, however, permit the biggest extremists to make maximum demands. We must come to agreements that are acceptable to all sides, not only that Slovenia's sovereignty is recognized, but also that of Yugoslavia as a subject of international law.

[Flottau] Some people in the Army seem to think differently. They want to take over.

[Mesic] Even though the members of the Army wear the same uniform, they do not think the same. The Army, too, consists of people, different people, and they, too, are overtaxed with the events in Yugoslavia and in the world.

[Flottau] Why do you not arrest [Colonel General Blagoje] Adzic? After all, it is more than a minor offense to threaten the people with a military coup.

[Mesic] I am not a policeman.

[Flottau] But you are the commander in chief, and thus Mr. Adzic's boss.

[Mesic] Let him threaten, he cannot implement his threats. Those who want peace still have the say in the Army.

[Flottau] Therefore, no one takes the hardliners seriously, they can say what they like?

[Mesic] No. The responsibility of each individual for the events of the past weeks will be investigated later, including the question of why 30 Army members were killed on the first day of the fighting in Slovenia, while none of the members of the territorial units were, and also if the Army really had to react with such force just to remove a few border signs. What is important now is to show the ordinary common sense of the farmer. Heads can roll later.

[Flottau] What is the ordinary common sense of the farmer?

[Mesic] The farmer has his own logic. He can distinguish between what is essential and what is not. And only peace is essential now.

[Flottau] Do you think that an Army coup is still conceivable?

[Mesic] This would have no chance of succeeding. The Army leadership has confirmed it will adhere to the Constitution and recognize the Presidency. This is essential, anything else would be illegal.

[Flottau] Who then let 180 tanks roll out of Belgrade last week? And why did you not order them back immediately? Now these tanks are at the Croatian border and threaten the Croatian police.

[Mesic] All tanks will return to the barracks. This is the agreement made with the EC and at the order of the state

Presidency. A mechanism was put into motion, however, that cannot be reversed at high speed.

[Flottau] As president, won't you have to give an answer soon for the majority decision of the Serbian block; that is, if Janez Drnovsek, the Slovene representative in the Presidency, no longer participates in the meetings?

[Mesic] Drnovsek will return. If not, the entire Presidency will lose its legitimacy.

[Flottau] What happens if your optimism does not prove true? The world is afraid of a war in Yugoslavia.

[Mesic] Europe and the world will commit themselves fully to preventing a war in Yugoslavia, because Europe is a common home. If a fire breaks out in one room, one must expect the entire house to burn down.

[Flottau] Wouldn't any war end up as a fight between Serbia and the rest of Yugoslavia?

[Mesic] The Serbian people do not want war. No one wants war. There are, however, Serbian, Croatian, Slovene, Muslim, and Albanian extremists. So far they have not succeeded.

[Flottau] Do you think Milosevic a Serbian extremist?

[Mesic] Everyone shows by his actions what he wants.

[Flottau] At the moment, however, one does not hear anything from the Serbian president....

[Mesic, interrupting] But one can feel him.

[Flottau] In Croatian Krajina, in the daily armed clashes?

[Mesic] It is a fact that armed groups have infiltrated there—terrorists, who are financed from suspect funds. The Serbian government has never distanced itself from them. These groups are trying to pit the Serbs and the Croats against each other. They must go back! Then there no longer be any problems.

[Flottau] Are these not illusions? The situation has never been as serious as it is now.

[Mesic] Nevertheless, I am convinced that there will not be a civil war. As soon as Serbia withdraws its extremists, we will issue an amnesty for all activists who participated in the barricade adventure or in the clashes; of course, only if they did not kill anybody.

[Flottau] Then Croatia's President Tudjman should not refuse anymore to negotiate with Krajina President Babic.

[Mesic] Babic is the president of a small village, and any Croatian functionary can negotiate with him, it need not be the president. Babic wants to turn Knin into Serbia. This is as though I wanted to turn the Serbian provincial town of Nis into the Belgian Congo.

[Flottau] Do the Serbs in Croatia have the same rights as the Croats?

[Mesic] All of them. And where these rights may not be in force, we will issue orders to do so. But the Serbian Kalashnikovs and bombs must be removed from the region.

[Flottau] For that you will probably have to wait for a long time.

[Mesic] You are wrong. The political climate in Serbia is changing. These terrorist groups are a disturbing factor already now. Serbian women went to Croatia and Slovenia to stop the war. Croatian women come to Belgrade. Such movements are able to accomplish miracles.

[Flottau] What happens if Slovenia and Croatia continue to insist on their sovereignty after the three-month moratorium?

[Mesic] The world recognizes only the realities that we are creating.

[Flottau] And what happens if no solution can be found within these three months?

[Mesic] After these three months we will have a solution, and one without war. I'll stake everything on that.

Mesic To Continue as President After 1 Oct

LD0607220491 Belgrade TANJUG Domestic Service in Serbo-Croatian 2044 GMT 6 Jul 91

[Text] Zagreb, 6 Jul (TANJUG)—"Dissociation is the settlement of balanced accounts. Croatia as well as Slovenia has declared its sovereignty and autonomy and this process of dissociation will continue," Stipe Mesic, president of the SFRY Presidency, stated this evening in an interview with Croatian television.

The obligations which Yugoslavia as an internationally recognized subject has to the world should also be defined so that this will also be acceptable to the world, Mesic believes. He stressed, replying to a question from a Croatian television journalist, that he will continue to carry out his work as president of the SFRY Presidency even after 1 October, even when the three-month period period agreed with the EC expires, in other words until the decision on dissociation is realized.

Speaking about Janez Drnovsek's position in the SFRY Presidency, Mesic said that Drnovsek did not attend the last session because a Slovene presidency session was being held at the same time, but they were in contact on the telephone. Mesic stressed that Drnovsek attended talks with him and Vasil Tupurkovski in Slovenia "as a presidency member." So he is working in the SFRY Presidency, Mesic asserted; he expressed the hope that Drnovsek will attend the next SFRY Presidency session.

On relations between Supreme Command Headquarters and the SFRY Presidency, Mesic said that the Headquarters functions only in wartime, and that "it was set up thanks to his predecessor's ineptitude." It functioned, but it is impossible to deploy the Army without a decision of the SFRY Presidency, Mesic warned.

We are now negotiating the maintenance of the truce, and afterwards it certainly will result in achieving peace. I derive this conclusion from the fact that the Army is under the supreme command and that General Veljko Kadijevic showed this by saying at the session that he only accepts orders from the supreme command, SFRY Presidency President Mesic concluded.

Mesic: 'Heads May Roll' in Army

AU0707175991 Paris AFP in English 1737 GMT 7 Jul 91

[Excerpt] Bonn, July 7 (AFP)—Yugoslav President Stipe Mesic has warned that "heads may roll" in the Yugoslav Army for its crackdown on the breakaway republics of Serbia and Croatia.

"The Army leadership has given assurances that it will abide by the Constitution and recognizes the collegial national leadership," Mr. Mesic told the weekly DER SPIEGEL in an interview to be published Monday, adding: "This is what counts today."

Asked why he did not have Army Chief of Staff General Blagoje Adzic arrested after his coup threats, the president said the head of state was "no policeman."

"Let him make his empty threats—he does not have the means to carry them out," he said. "Maybe heads will roll at a later date."

Mr. Mesic was certain that "Europe and the rest of the world will do their utmost to avoid the outbreak of civil war in Yugoslavia.... Europe is a common home. If fire breaks out in one room, it is to be feared that it will spread to the entire house," he told the magazine.

Mr. Mesic expected a settlement of the Yugoslav crisis within the next three months. [passage omitted]

Mesic Sees No Need for Republics To Secede

LD0507180291 Belgrade TANJUG in English 1652 GMT 5 Jul 91

[Text] Bonn, July 5 (TANJUG)—Yugoslav Presidency President Stipe Mesic has said that "it is unnecessary for either Slovenia or Croatia to secede." In an interview carried by tomorrow's German paper with the biggest circulation, BILD ZEITUNG, Mesic said that the future of Yugoslavia lies in "a community of equal and sovereign states."

"The restructuring of Yugoslavia is necessary so that can be no more reasons for a war," he said. [sentence as received]

The Yugoslav president underscored that the Yugoslav Army "is under the political control of the state Presidency" so that it "will remain in the barracks" even after the expiration of the deadline of the ultimatum to Slovenia. "We will resolve conflicts through political means. There will be no more bloodshed," Mesic said and added that the solution is for the "Slovenes to retain control over their borders, but to pay customs duties to the Federation."

"In this way Slovenia will be able to keep its sovereignty," he said.

Asked about the solution to the conflict with the minority Serb population in Croatia, Mesic said that "there is no conflict between the Serb minority and the Croats," but between the "Croatian authorities and Serb terrorist groups."

"Serbia arms, educates, finances and instructs them. As soon as we remove these groups from Croatia, there will be peace," Mesic said.

Mesic: 'Peace Will Certainly Be Established'

LD0607175991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1450 GMT 6 Jul 91

[Text] Vukovar, 6 Jul (TANJUG)—There is a cease-fire in Slovenia, where a real war broke out between Yugoslav People's Army units and the territorial defense forces, and a final peace will certainly be established. As to whom is to blame for what—that will be determined later, Stjepan Mesic, president of the SFRY Presidency, said in a statement for Croatian Radio-Studio Vukovar today.

Mesic added that the EC assisted in all this. What is most important is that Europe should guarantee both external and internal borders. It would be good if everyone knew that, especially people in the Vukovar area, he stated. All those who think that Croatian borders can be altered should give up this illusion. This is why reason should prevail, Mesic said when asked how the crisis facing the Vukovar municipality could be overcome.

The president of the Presidency stressed that trust should be established among people and that dialogue should start. "A message to the terrorists who came from the outside, seeking to take advantage of the Serbs in Croatia: They must go back to where they came from." Otherwise, he added, the Serbs in Croatia should understand that coexistence with the Croats is necessary and that they should turn their back on those who are trying to persuade them and arm them against their fellow citizens.

Mesic said that Croatia will remain what it is and no moves by units such as "Dusan the Great" or "White Eagles" will ever change it. They can only lead to more victims, he asserted.

Asked how one is to overcome the situation in which trust is disintegrating, given that some families left their homes in this municipality for fear of the future, Mesic replied that the situation in Croatia was discussed at the session of the SFRY Presidency.

I received the following reply from Borisav Jovic to my stand that all those who came to Croatia from the outside and those who illegally armed them must leave:

"You are arresting and killing Chetniks if you find them on your territory. Serbia has nothing to do with it," Mesic said.

I believe, Mesic went on, that talks will be held and that it is possible to solve every problem through democratic dialogue rather than with arms.

Speaking about the question of dissociation, the president of the Presidency stressed that this is nothing else but the settling of issues, not detrimental to anyone. Even if we had not made decisions on dissociation we would have had to settle the issues between Yugoslav subjects and at the same time talk about a future association in which everyone would have equal rights. The state presidency will take action in this direction, Mesic stated.

He added that all those who had been indoctrinated and did not obtain arms and oppose the authorities willingly will receive amnesty and pardon. No charges will be brought against them and they may return to their normal life. One should not have illusions that anything can be solved by shooting. This is a law-governed state and it will act accordingly, he declared.

Drnovsek Issues Statement After Vienna Talks

LD0607212291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1539 GMT 6 Jul 91

[Text] Vienna, 6 Jul (TANJUG)—Yugoslav Presidency member Janez Drnovsek stated in Vienna today that he will take part in a session of the SFRY Presidency on 8 July if Slovene demands are fully accepted during talks tomorrow between the Yugoslav leadership and the three EC foreign ministers.

In a press statement following talks with Austrian Federal Chancellor Franz Vranitzky, Drnovsek stressed that his participation in the work of the Yugoslav Presidency "is out of the question at this moment", and particularly stressed that tomorrow, the federal government and the EC troika will certainly have to recognize Slovenia's right to self-determination.

Noting that forthcoming negotiations will primarily refer to the averting of further conflicts Drnovsek expressed his hope that the EC troika, in its fresh mediating mission, will achieve agreements acceptable to Slovenia.

In this connection he demanded "additional guarantees" that in the future force will not be used in Slovenia and underlined at the same time that Slovenia is not ready to give up control over its border crossings on its own territory. Armed units should not be stationed on the border, Drnovsek went on to say.

The Slovene member of the SFRY Presidency also stressed that the EC, the CSCE and the European Council should "unconditionally" participate in negotiations to be held between Slovenia and the federal government in Belgrade.

Dwelling on his talks with Chancellor Vranitzky, Drnovsek stated that "it is very important to hear advice from our friends."

Vranitzky stated that as regards the Yugoslav conflict, Austria does not wish to take sides but it wishes to condemn "the use of force."

Austria will wait for further developments in Yugoslavia, the chancellor said and stressed that in case "Slovenia is again tormented by arms" Austria may recognize its independence. "That option is still open," Vranitzky said.

It has been announced in the meantime that the Austrian Assembly will take stands on the situation in Yugoslavia, i.e. the issue of recognizing Slovenia's and Croatia's independence on 8 July.

Mitrovic Comments on Slovene, Croatian Situation

LD0707200191 Belgrade TANJUG in English 1852 GMT 7 Jul 91

[Text] Belgrade, July 7 (TANJUG)—'The war has begun—regardless of the fragile truce and search for the answer to the question if there exists in Yugoslavia sufficient strength and reason to put a stop to it—once again by an act of treason by the common echelons, which is what happened in Slovenia in the past days,' Yugoslav Deputy Prime Minister Aleksandar Mitrovic told TANJUG [word indistinct]

Preparations for this treason lasted several years at least, Mitrovic said, adding that irrefutable proof to this lay in the fact that numerous Slovenian commanders in the Yugoslav People's Army (JNA) surrendered their units and thus made it easier to set up blockades around JNA barracks and lay minefields near them.

Mitrovic said the current Slovene leadership had betrayed the country and become a puppet to certain circles in Germany and Austria and thus also a forerunner for a policy of the creation of a fourth reich.

'Europe must not remain silent in [words indistinct] as well as in regard to the creation of possible interest zones on its soil. The citizens of Europe should not be in any doubt to where the dismembering of Yugoslavia leads—they should know that it will not end on its borders but will affect the architecture of the entire continent. The process will demolish the Helsinki Accord and the Paris Declaration,' Mitrovic told TANJUG.

The policies of the Yugoslav Government and parliament probably helped considerably in achieving this serious state of affairs, he said.

The Yugoslav Government's advocation of a democratic route to the settlement of all conflicts was convenient for some parties—all this enabled the Slovenian and Croatian leaderships to illegally arm themselves and to prepare for secession, Mitrovic said.

Asked if there was any hope for defusing the serious situation in the country, Mitrovic said peace and accord on new relations in Yugoslavia were irreplaceable foundations for everything.

'Outside factors should leave us alone and allow us to decide our own future—to this end it is necessary to preserve and consolidate the JNA so that it can remain a factor of peace and protection of the country's integrity,' Mitrovic told TANJUG.

He said it was necessary to exert pressure on the Slovenian leadership from inside and outside the country to compel it to put into practice the already agreed moratorium and suspend its decision to secede from Yugoslavia.

We would then agree in peace whether to stay together or to go each his own way, said Mitrovic, adding that this also concerned the Croatian leadership.

Tupurkovski Comments on Presidency Decision

AU0407222291 Belgrade RTV Sat TV in Serbo-Croatian 1730 GMT 4 Jul 91

[Interview with Vasil Tupurkovski, member of the SFRY Presidency, by Branka Mihajlovic "at the end of the afternoon session of the SFRY Presidency" on 4 July—recorded]

[Text] [Mihajlovic] The decisions and stands of the Presidency are quite specific. Tell us, Comrade Tupurkovski, whether there is a possibility that these will be carried out in a peaceful way?

[Tupurkovski] We are convinced that these decisions are in this direction. I really think that one cannot think at all about an option other than the peaceful option, in overcoming this already dramatic situation. The key issue remains—and it was the key issue when the conflict broke out over the last few days—and that is the question of the reinstitution of the borders according to the old regime, the one that existed before 25 June. This is what we simply must agree on with the leaders and leaderships in Slovenia, of course.

This is a stand that has been accepted as an obligation in Slovenia on the basis of the three-point agreement with the EC. One of the key points remains the suspension of the implementation of the declaration and acts of sovereignty and independence, and everything that began there as part of the process which actually began with the border.

We will be officially interested because we are in favor of this entire package being carried out. I mean our stands from today's session, which were adopted unanimously. The meeting was attended by all those who were invited, including the federal prime minister, the federal secretary for national defense, and the federal secretary for foreign affairs. The Presidency session definitely proves that normal communication has been established, as well as normal relations between the Presidency as the Supreme Command and the Staff of this Supreme Command, on the one hand. On the other, it is essential that the previous very undesirable development without a president of the Presidency has definitely been stopped with the functioning of the Presidency. I think that we will quite certainly maintain this as a relationship in the time to come.

[Mihajlovic] Tell me, you were in Slovenia, is there any possibility that the leadership of Slovenia will accept without the threat of the Army the conclusion to return the signposts with Yugoslavia on them to the border?

[Tupurkovski] I have been in Ljubljana twice, but this was at a time when skirmishes and casualties were escalating and there were different pressures. These were in fact days of an insane policy in this country for which all leaderships, all political, state, and all other leaderships, and all possible institutions in this country are responsible, without exception. I am not reducing this to responsibility for the unilateral acts in Slovenia, but also the responsibility of other organs in other republics and leaderships, and so on.

These were some of the circumstances for talks, but now we nevertheless have somewhat different circumstances and this is primarily because of the return of the Yugoslav People's Army units to their barracks and because of the quite clearly demonstrated wish of the Yugoslav People's Army units to respect the cease-fire, which is, relatively speaking, also being demonstrated as the will of the Slovene forces.

If this cease-fire holds during the next three days, under conditions that guarantee an approach that is based on peaceful means and a peaceful way, I think we simply must agree on what to do. We do not have any other option in this respect.

[Mihajlovic] You have now left the SFRY Presidency session. Tell me, was it difficult to reach these decisions?

[Tupurkovski] The session [Tupurkovski changes his thought] we made these decisions unanimously at the session. All the members of the Presidency and all those present shared the same view that the situation in Slovenia must be settled; that war does not suit anyone; that it could not be in anyone's interest; that there must not be new casualties. I really do not know who will bear responsibility for the casualties in general and for possible new ones. We also thought we should settle the question of the borders in a way that is envisaged in the agreement with the EC. I can therefore even inform you about some forms of the already-prepared plan of activities in the next three days until the 7th, when we are counting on it being realistic to establish the previous situation.

Bogic Bogicevic, member of the SFRY Presidency, and I will visit Ljubljana tomorrow. We have been given this task. Then, on Saturday we envisage holding a summit since we initiated this and this was agreed upon in Ljubljana a few days ago, and President Mesic will convene this meeting. It will be attended by the same team from the Presidency with

the president of the Federal Government and his team and with the president of the Presidency and the president of the Government of Slovenia.

We will discuss all these issues. Sometime after 6 July or when this is realistically possible, we will again invite the three ministers from the EC—we are now negotiating on their arrival. Ministers are holding consultations tomorrow and they of course have their own obligations. However, we must this time, too, involve them in our concrete decisionmaking, as was the case with the election of the president of the Presidency and the vice president of the Presidency so that we reckon that sometime on Sunday, we will be able to present a formula, and that is the 7th of July.

[Mihajlovic] You were a great pessimist at the beginning of the fighting, and you even announced your exit from the political scene. Then after the president of the Presidency was nevertheless elected, you were a moderate optimist. Please, tell us briefly what you are today.

[Tupurkovski] This mostly depends on the will of both sides, if I can call them sides, which means in Slovenia and with us. I do not discount our side, our negotiating side, to call it that. We are all putting aside the Army option. We simply must forget this. In this case, we have room for both restrained and greater optimism and on the basis of a normal dialogue. If we analyze all the vital interests in which there can be absolutely no human casualties, I think that we will reach an agreement and we will open a new stage, and that is the stage of implementing the moratorium and everything that we have received in the form of three months, in order to restore some confidence and to show our people, citizens, and nations that we could possibly agree on something.

As concerns departing the political scene, this is more or less a definite decision that virtually nothing can change.

[Mihajlovic] Was the situation in Croatia discussed in any way today? I do not know how much you know, that the situation is very dramatic in Borovo Selo, for example.

[Tupurkovski] We are receiving information but we have agreed, and this is very important, that as early as next week, the Presidency will put on the agenda the implementation of the fulfillment of our conclusions of 9 May which concern the specific situation in Croatia, interethnic conflicts and the general situation in Croatia, and then we will also discuss the current situation and the implementation of these conclusions, as well as the situation among the Serbian people, about which we have been receiving very alarming reports in the last few days.

Slovene Delegation Officially Leaves Assembly

LD0807135591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1025 GMT 8 Jul 91

[Text] Belgrade, 8 Jul (TANJUG)—SFRY Assembly President Slobodan Gligorijevic, has received a letter from the Slovene Assembly President France Bucar, informing him of the cessation of the mandate of the delegates of that republic in the Federal Chamber and Chamber of Republics and Provinces of the Yugoslav parliament.

Bucar states that this decision by the assembly of the Republic of Slovenia was made with the adoption of the "constitutional law for the implementation of the basic law on the implementation of the basic constitutional document on the independence and autonomy of the Republic of Slovenia".

Daily Discusses Cause of Negotiations Failure

LD0707101291 Belgrade TANJUG in English 0929 GMT 7 Jul 91

[Text] Zagreb, July 7 (TANJUG)—Zagreb daily VJESNIK writes on Sunday that all the negotiations in Yugoslavia have fallen through because they were in essence ultimatums.

Slovene President Milan Kucan arrived to the talks with an ultimatum, because he cannot breach the Slovene parliament decisions without being declared a traitor at home, notes VJESNIK.

Since others, too, arrived to talks with similar "luggage", VJESNIK asks what wise decisions could the negotiators have come up with at all.

The arrival of the European ministers has introduced new manners into negotiations, manners which Yugoslav traditionalism finds hard to swallow, assesses VJESNIK.

A ray of hope that the talks could bring peace and calm may emerge only if now, with the aid of the new manners, the negotiators in Yugoslavia understand that ultimatums lead to new misunderstandings, misunderstandings to conflicts and conflicts produce casualties, concludes VJESNIK.

POLITIKA Notes Government's Indecision

LD0507105291 Belgrade TANJUG in English 0918 GMT 5 Jul 91

[Text] Belgrade, July 5 (TANJUG)—The Federal Government and Yugoslav Prime Minister Ante Markovic decided to put the Army in motion "to preserve their own political authority," the Belgrade daily POLITIKA writes on Friday.

The daily considers that the Federal Government was "absolutely indecisive" in opposing the secession in Croatia and Slovenia. The two northern Yugoslav Republics proclaimed their independence from Yugoslavia on June 25.

According to POLITIKA, the Federal Government resorted to the new political tactic only after "Markovic's political authority was brought into question and when he stopped being the only political trump card of the West," POLITIKA said.

The daily writes that the failure of the Yugoslav Army in Slovenia was "in a way planned" and adds that international understanding was shown for "the military action while it was condemned to failure" and while soldiers were being killed.

As soon as the Army recovered, POLITIKA says, the theory was launched that the Yugoslav Army had slipped out of political and civilian control.

POLITIKA considers that the Yugoslav Army has "successfully carried out a purge of its ranks and consolidated itself."

The Yugoslav Army must be a force prepared to defend the interests of "those peoples who intend to live together," POLITIKA concludes.

Army Respects Presidency Decisions 'In Full'

LD0607144991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1349 GMT 6 Jul 91

[Text] Belgrade, 6 Jul (TANJUG)—The Yugoslav People's Army [YPA] respects in full all the decsions of the SFRY Presidency from 4 July and so far has complied with all of them and all the deadlines, apart from those which are being prevented by the armed forces and leadership of Slovenia. This is what Colonel Milan Gvero, representative of the Federal Secretariat for National Defense, said at today's news conference at the International Press Center, in Belgrade.

Since 1600 [1400 GMT] yesterday, all of the YPA units have returned to the barracks, except two which did this some time later, due to repair of weapons and transport vehicles, added Gvero.

Unlike the YPA, Slovene units have not complied in full with the decision of the Presidency. However, the failure to execute the decision is not of such a nature that it is endangering the lives of the members of the YPA, stressed Gvero.

Army General Gives News Conference

LD0507173191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1518 GMT 5 Jul 91

[Text] Belgrade, 5 Jul (TANJUG)—The Yugoslav People's Army [YPA] has been and will remain united because, despite traitors, it is composed of the members of all nations and nationalities, Lt. Col. Gen. Marko Negovanovic, member of the Supreme Command Headquarters of the SFRY Armed Forces, stated at today's news conference for domestic and foreign journalists.

Despite the decisions adopted by the competent state organs and the efforts to resolve the increasingly exacerbated situation in a peaceful way, the Republic of Slovenia, according to Negovanovic, with its armed formations, is continuing to conduct a policy of fait accompli by force of arms against the YPA, something which really threatens to have serious consequences. The decisions adopted yesterday by the SFRY Presidency are being publicly discredited and all sensible efforts to calm the situation and create conditions for a peaceful agreement on the future of Yugoslavia based on the constitution and the law are not being respected and are being revoked.

Units of the YPA in the area of Slovenia, Negovanovic stressed, are fully respecting the cease-fire, but this is not being respected by Slovene armed formations. They are continuing their attacks on YPA units and military facilities, and apartments in which families of active military personnel reside are still under constant blockade; these people have been deprived of basic, national, civil, and other rights, including the right to secure fundamental conditions for life.

What is happening, Negovanovic assessed, is expulsion from the Republic of Slovenia by terror and the fear of it. "And the joy of families who succeed in reaching Belgrade continues to be the pure happiness of people who have succeeded in escaping from Nazi camps." Negovanovic said.

As YPA units, according to Negovanovic, have been led to their home garrisons—in this way respecting the decision of the Presidency—armed formations of the Republic of Slovenia focused their actions on depots and smaller military facilities. This morning, at 0200 hours, the military facilities at Pod Muhaberom, Cesca Vas, and Brsljan, near Novo Mesto, were attacked. At the Cesca Vas facility two officers were injured, Negovanovic said, adding that depots at Rakek, Strumica, and Pogance were also attacked. One soldier was injured.

The Pokljuka skiing area was attacked and occupied. In Pohorje, five officers were arrested without reason. A military facility at Trnovski Gozd is being blockaded. Some parts of border units continue to be blockaded.

The commands of units in Murska Sobota, Dravograd, Radovljica, and Sezana, are being blockaded, Negovanovic reports. After the return of the YPA to its home garrisons, communications were disrupted even more than before. The further mobilization of the armed formations of Slovenia is being carried out in the region of Maribor.

There is no doubt whatsoever, Negovanovic assessed, that the armed formations of the Republic of Slovenia are not respecting the cease-fire and the decisions of the SFRY Presidency, but in many places are continuing their armed activities against the YPA. "This indicates that at the moment this is also the factual orientation of their leaderships, and not the empty declarations which we are being showered with in public."

All the consequences of this "deceitful behavior," without doubt, will be borne by those who are creating it and putting it into effect, Negovanovic warned.

Respecting all the decisions on the cease-fire and the latest decision of the SFRY Presidency, the YPA has

done, and is now doing everything to ensure the conditions for a peaceful, democratic, and legal outcome to the Yugoslav crisis.

Unfortunately, as you see, he added, instead of this, and despite the decisions of the highest organs of Yugoslavia and the agreement with the three EC ministers, which relates to the cease-fire, armed formations of the Republic of Slovenia are continuing to resort to the use of force for the purpose of arriving at one-sided decisions which are breaking up the unity, territorial integrity, and sovereignty of Yugoslavia. Why is this so, when all problems can be resolved in a peaceful and democratic way? The answer is known by those who are acting in this way, Negovanovic believes.

The decisions adopted yesterday by the SFRY Presidency confirm the full correctness of our orientation and it is certain that they are the right platform, which requests and implies the obligation and responsibility of the Republic of Slovenia and of its armed formations to act in keeping with these decisions, because, in this situation, this is the only wise and right solution for everyone.

Negovanovic observed that the Federal Executive Council [FEC] president has distanced himself from individual measures of the Federal Secretariat for National Defense [SSNO] and the YPA, something which, he assessed, is not in keeping with the constitutional authority of the federal government, which is obliged to see to the carrying out of defense policy and the implementation of defense preparations.

Events in Slovenia, Negovanovic believes, were also conditioned by certain behavior of the FEC "significantly earlier." As long ago as last year, Negovanovic alleged, the SSNO energetically raised the question of the irregular sending of recruits from Slovenia to the YPA. Instead of supporting the demands of the SSNO, the federal government hestitated to adopt decisions which it alone was competent to do, unsuccessfully attempting to resolve this question by having endless negotiations with the government and with other organs of the Republic of Slovenia. In this way, Negovanovic observed, the YPA was left without recruits from Slovenia, while they were illegally sent for training to republican centers in Slovenia, where they were prepared for direct settling of scores with the YPA and with other federal organs.

When a situation has already been created in which the decision concerning the recruits was unable to be implemented without an armed conflict, Negovanovic went on, the blame was then transferred to the YPA, because it was claimed that the FEC president had signed the decision, while the Army had not implemeted it.

In practical terms, everything is being repeated in the case of the implementation of the FEC decision on the securing of a corresponding system [rezim] on the border of the SFRY, Negovanovic assessed. The fact that the FEC ordered the Federal Secretariat for Internal Affairs to cooperate with the SSNO so that YPA border units might also be engaged, indicates that thought had also been given to the possibility of using the units and to their transfer and movement toward the border.

When the implementation of the decision began, Negovanovic said, the request was made that it be implemented without conflict. The YPA tried its utmost to avoid conflicts, but the units were attacked and suffered losses. Even in these circumstances the FEC president insisted on negotiations, something which the SSNO respected, but this did not yield results either.

Instead of support and the taking of all measures to implement the decision fully, Negovanovic said, the FEC president insisted on the acceptance of "in practical terms unimplementable conditions," requesting that this problem also be resolved in a peaceful way, independent of the fact that this involved an action to destroy the country's territorial integrity, the protection of which is the fundamental duty of every government and of all state organs.

With all the above-mentioned circumstances, Negovanovic stressed, the YPA was put in an exceptionally difficult position, and when this happened, the FEC president distanced himself publicly from the YPA and from any responsibility for the events which came about.

It is up to the Yugoslav public to assess each person's responsibility, Negovanovic said.

Asked whether the YPA fears a new crisis between Serbia and Croatia, Negovanovic replied that the Army has been advocating a peaceful and democratic resolution of the crisis in Yugoslavia. Last time I informed you that we raised combat readiness and mobilized part of the armed forces in view of the situation in Yugoslavia. In this way we are ensuring the peaceful resolution of the crisis and are serving peace, said Negovanovic, stressing that the YPA has said publicly that it will not interfere in agreements on organizing the future of Yugoslavia, but that it will prevent every interethnic conflict and attempted large-scale clashes, even a civil war in the country.

In connection with how the Army would react to the violation of the cease-fire and to attacks on YPA facilities, Negovanovic said that every attack on YPA units or facilities will be considered an armed attack and will therefore be defended with arms.

Asked who made the decision on the deployment of armed forces given that the SFRY Presidency as the supreme commander was not functioning, Negovanovic replied firmly: "The decision on the use of arms was made by those who first opened fire on the YPA units." The Army, according to the SFRY Constitution, has the duty to protect the integrity and sovereignty of the SFRY and the peaceful resolution of all conflicts in Yugoslavia [as received]. It is therefore behaving in accordance with this.

After the journalists reminded him that already two deadlines set by the SFRY Presidency had expired, Negovanovic said that part of the activities regulated by the decision of the collective head of state has been carried out and that he hopes that "a proper mechanism will be established to control the implementation of decisions."

Recalling that at 1200 blockades were lifted only from approaches to garrisons and not from the roads which lead to them, Negovanovic gave as an example the garrisons in Maribor, Ptuj, Slovenska Bistrica, Celje, Murska Sobota, Kranj, Ljubljana, and Ajdovscina.

Asked who is guarding the borders of the SFRY, Negovanovic said that the SFRY Presidency is bound by point one of its decision to establish the original situation at the borders by midday, 7 July. "You are aware of the situation at the moment," said Negovanovic.

Who betrayed Yugoslavia? Negovanovic replied that the YPA publicly disclosed all the information in its possession and if any new information becomes available he will brief the journalists at the next meeting.

The journalists also asked Negovanovic to comment on Stipe Mesic's statement to the German "BILD" in which Mesic stressed that the Army will no longer be involved. This was an opportunity for the member of the staff of the supreme command to say that he is not acquainted with the statement in its original form. He stressed, however, that the Presidency is the collective supreme command where decisions are passed by majority vote.

Does the YPA know what kind of weapons are being used by the Slovene territorials and which countries they have been procurred from, was a question to which Negovanovic said that the Army "knows the structure of the armaments" of the Armed Forces in Slovenia and that they are made up partly of a selection of weapons from domestic production which remained in the storage facilities of the territorial defense. Some of their weapons were imported from abroad without authorization and illegally, "but I would not like to comment on which sources they came from," he said.

Asked whether there could be self-criticism concerning the involvement of YPA units in Slovenia, Negovanovic said: "We have recognized our own mistakes and published them in a statement of the Supreme Command Headquarters."

Calls on people to desert, which are being made in Slovenia, are a blatant provocation, designed to bring about the break-up of unity in the Army and to stimulate the most shameful acts. The consequences for recruits and reservists who abandon their units or who do not respond to the call-up, according to Negovanovic, "will be in accordance with the law." Yugoslavia still exists and in it Yugoslav laws are still valid, he added.

To the question of whether this also relates to recruits from Macedonia which the republic government has called upon to return home, Negovanovic said tht "the recruits will be responsible before the law, regardless of what their governments think."

General Kadijevic's Statement on Crisis

AU0607195891 Belgrade Radio Belgrade Network in Serbo-Croatian 1737 GMT 6 Jul 91

[Statement by General Veljko Kadijevic, chief of staff of the Supreme Command of the SFRY Armed Forces; in Belgrade on 6 July—live or recorded]

[Text] Citizens of Yugoslavia, members of the Armed Forces of Yugoslavia: The final stage of the destruction of the present Yugoslav state is under way. The idea of Yugoslavianism with which we have achieved all our victories and secured several decades of peace is being subjected to fierce blows. The prevalence of nationalist concepts and interests began long ago, in 1962. Therefore, chauvinism and interethnic divisions are now running riot.

Through the 1974 Constitution we have remained without a federal state. According to this Constitution, Yugoslavia can be destroyed by anyone who wants to do so and in a constitutional way, and they cannot be prevented with constitutional means. This has been a kind of time bomb for the destruction of the federal state.

We are paying too high a price for many blunders and major mistakes. Neither in the economy nor in politics have we followed the changes that have been imposed by modern-day social development. The inevitable collapse of a hybrid social system has been encouraged and speeded up by the activities of some foreign countries. Anti-Yugoslav forces in the country would not even have been so daring and aggressive without strong support from outside. In war, too, only under the cloak of occupiers have they represented some kind of force.

What they could not achieve through war before, some countries are now achieving through their puppets by raising false hopes and through all kinds of bribery. It is certain that the revival of old empires will be only the first step in their further expansion. Europe and the world could pay the same or a higher price for sacrificing Yugoslavia as they did at an earlier time sacrificing the Sudetenland and Czechoslovakia.

I believe that this will very quickly be perceived by the leadership of those countries that have not yet become aware of this danger.

The Army leadership has from the very beginning of the social crisis actively taken part in seeking ways to resolve it. We have constantly demanded that the country's plunge into collapse, chaos, and interethnic and religious war be stopped. We have advocated the democratic resolution of the Yugoslav crisis and a comprehensive reform of the state, economy, and society.

We have always stressed that it is the inviolable right of every people to independently determine its own road. However, they must realize this in the interest of everyone as a group and each group individually through agreement and in a peaceful way. We warned that changing the system according to the method of everyone pleasing themselves, the policy of a fait accompli, and unilateral acts lead the country into the maelstrom of civil war.

On some occasions, when the situation had dramatically escalated, the combat readiness of the units of the Yugoslav People's Army [YPA] was raised. We thus contributed to a temporary calming of tension. We could not do more than this.

In some parts of the country, our units have for months been outside their barracks in the thankless role of separating belligerent sides. Even though without their presence, there would certainly have been a bloodbath, the employment of the units of the YPA has continually been condemned in various ways.

Some people demand that the YPA shut itself into its barracks whence it can calmly observe the collapse of the country and the bloody orgy. Others insistently demand that the Army take the role of the decisive social arbitrator, bring down the leadership, and take over power in the country.

We have known from the beginning that both aforementioned options inevitably lead to the same end. Had the Army closed itself into its barracks, the conflagration of interethnic armed conflicts would have already overtaken a considerable part of the country. Yugoslavia would have unavoidably collapsed in the most dramatic way possible.

Taking power is also out of the question. An internal crisis in any country, Yugoslavia included, cannot be resolved permanently with the use of the army but only through political means. Therefore, in securing peace and creating conditions for the democratic transformation of society, we have advocated the careful use of units in crisis hotspots and consistent respect for constitutionality and legality. Unfortunately, we have had no support other than verbal support.

It has been shown that almost all federal organs have not been up to the gravity and seriousness of the situation in which Yugoslavia has found itself. This concerns their ability to carry out the policy of the defense of the country and their duty to the Armed Forces. By adopting delayed and incomplete decisions, problems have amassed that could have been resolved in the beginning relatively easily.

Thus, the decisions on the disarmament of paramilitary formations, on recruits, and on territorial defense were doomed in advance to fail. Instead of a commitment to the consistent application of the only realistic means for efficiently carrying out decisions, there was persistent insistence only on long-lasting and futile negotiations, bargaining, and condition-setting. This tied the Army's hands in carrying out the tasks that it had been given and compromised it. It allowed the destroyers of Yugoslavia to implement their ideas unhindered.

The Army has never done anything on its own initiative outside the constitutional powers and decisions of the competent federal institutions. The YPA units were employed in Slovenia, too, in line with their constitutional obligations in preserving the integrity of Yugoslavia and on the basis of the conclusions of the Federal Chamber of the SFRY Assembly and the decision of the Federal Executive Council.

The leadership of Slovenia, which several years ago was the first to start destroying Yugoslavia, has waged a veritable war against the YPA. The war aim of the Slovene leadership was not only Slovenia's final secession but also Yugoslavia's complete eradication from the world political map. With constant lies and deceit it acted in an underhanded way to brutally liquidate and abuse members of the Army and their families. We are asking ourselves for whose sake this is being done.

Even though the leadership and the armed compositions of the Republic of Slovenia have treated the YPA as an occupying army, we have simply not been able to treat the people of Slovenia in this way. Because of this, the main forces of the YPA—the Air Force and missile, artillery, armored mechanized, and other units—have not been employed adequately enough. They have been abused in the most cruel way. Only one day was needed for us to be employed resolutely for them to ask for a cease-fire, which they again abused.

I admit that we were surprised by these impudent and criminal attacks. We were caught by surprise by the breadth of the betrayal. This was our mistake. The Staff of the Supreme Command could have easily prepared and carried out an operation which would have brought Slovenia to its knees.

However, why would we have done this at all? Why should soldiers and officers of other nationalities die in Slovenia if Slovenes consider them aliens and occupiers? We are not in favor of the killing of Slovenes even though they do not want to live in Yugoslavia. Let the public assess whether this is our mistake or not.

The war that has been imposed on us has cost human lives. On this occasion I pay tribute to the spirits of the dead comrades and express my sincerest condolences to their mothers, fathers, brothers and sisters, relatives, and friends.

The day before yesterday, the SFRY Presidency adopted appropriate conclusions connected with the situation in Slovenia. The YPA has already met all the demands that have been dependent on it. Since Slovenia's leadership is ignoring the conclusions of the Presidency and attacks on members of the YPA are continuing, the Staff of the Supreme Command will, in line with this, very soon propose appropriate decisions to the SFRY Presidency.

At this moment, the most important thing is to reach a political agreement as soon as possible and carry out the transformation of Yugoslavia in a peaceful way without new bloodshed. Strong national armies have been set up, and new ones are being set up that are ready at any moment to draw knives and arms. It is the basic task of the YPA to not allow this, making use of its experience in Slovenia. Therefore, the peace-time complement of the Army was not sufficient, and it was essential to mobilize some units.

In the task of securing peace, members of the YPA are strengthening their ranks and raising combat readiness. We will work on this task as much as possible. We expect the support of all patriotic forces and the prevention of those who are guided by narrow-minded nationalist or party interests. Peace, not war, is the common interest of everyone.

Thank you.

Army Threatens 'Independent' Action on Prisoners

LD0807105391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1013 GMT 8 Jul 91

[Text] Belgrade, 8 Jul (TANJUG)—In view of the fact that the leadership of the Republic of Slovenia has not fulfilled its obligations in accordance with the most vital conclusions of the SFRY Presidency of 4 July 1991, Army General Velko Kadijevic, head of the Supreme Command Headquarters [title as received] requested on the evening of 7 July, through Admiral Stane Brovet, member of the headquarters who took part in the Brioni talks with representatives of the EC, that the Slovenian leadership release unconditionally, in the shortest possible time, members of the Yugoslav People's Army [YPA] who are being held in extremely inhumane conditions in prisons and camps on the territory of Slovenia.

In Brioni this demand was also presented to Stipe Mesic, president of the SFRY Presidency, and to other participants in the talks, accompanied by a message from General Kadijevic that if the ultimatum is not accepted the Supreme Command headquarters will adopt an independent decision; and carry out a military operation on the territory of Slovenia in order to protect the lives and dignity of members of the YPA.

Imprisoned members of the YPA were freed during the night and this morning, the statement says.

Belgrade Reports 'Truce' Reached in Tenja

AU0707142691 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 7 Jul 91

[Text] Several minutes ago, we received a report from the defense staff of the village of Tenja:

[Unidentified reporter] At 1345 [1145 GMT] mortar fire was heard form the northern side of the village, that is, from the direction of Osijek. The attackers were not particular about choosing their targets because even an Orthodox church was fired at, the Church of Saint Nicholas, which was destroyed by Ustashas in 1941 and rebuilt by the people 10 years ago.

At the same time, barrage fire from all possible weapons was heard from the roads leading to Tenja from the south. For a full nine hours the village defense force, which numbers hundreds of people, withstood attacks by thousands of people with superior arms. This battle has once again proved that the strength of a man who defends his home, his own and other people's lives, his honor, and his dignity is unbreakable.

The attack started from various sides. The most ferocious battle started on the Osijek side between the old part of the village held by the defense and the new part which had mostly been evacuated.

The battle lasted a full nine hours. The first intervention by the Yugoslav People's Army occurred at 0730 [0530 GMT]. The Army did not open fire on the attackers, but only called for a cease- fire. However, the attackers replied with mortar fire [mina] directed against tanks. The tanks stopped and the battle continued.

A new intervention by the Yugoslav People's Army, which followed some time later, also brought no results. There are dead and wounded on both sides.

At the demand of the attacking forces, that is, at the demand of the forces of the Croatian Ministry for Internal Affairs, the Army ordered a truce and additional forces arrived in order to secure this truce.

At the very beginning, this truce was occasionally violated by the attackers, but now, while we are reporting this, a few minutes before 1500 [1300 GMT], the situation seems to be calm. For the time being, it is certain that there are two dead who have been identified among the defense forces, and several wounded.

YPA First District Rebuts Croatia's 'Lies'

LD0707190591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1800 GMT 7 Jul 91

[Text] Belgrade, 7 Jul (TANJUG)—The information office of the First Army District Command has been authorized to issue the following:

"Regarding the statement put out by some sections of the media in the Republic of Croatia to the effect that individual soldiers and officers of the YPA [Yugoslav People's Army] split from their commands and sided with the Chetniks as well as with claims by some high-ranking leaders of the Republic of Croatia that the Army is helping the Serbian side, we insist that these are blatant lies and yet another in a whole series of unscrupulous speculations in a campaign of intensive propaganda being waged against the Yugoslav People's Army. Our units were deployed solely to prevent clashes caused by an attack by the forces of the Croatian Internal Affairs Ministry on the Serb population. They did not side with

anyone. It is also incorrect that, as reported by some sections of the media, a soldier was killed in today's clashes in the village of Tenja.

Official Says Slovenes Not Observing Decisions

LD0707230491 Belgrade TANJUG Domestic Service in Serbo-Croatian 2147 GMT 7 Jul 91

[Text] Zagreb, 7 Jul (TANJUG)—The Slovene side is still failing to observe the decisions of the SFRY Presidency. The Slovenes are not handing over border posts, while psychological pressure is being brought to bear on Yugoslav People's Army [YPA] personnel to surrender the ones they hold. Efforts are also being hampered to deliver supplies to border posts and garrisons. Barracks and roads continue to be blocked while the property confiscated from the Army is not being returned.

This was said at a news conference this evening by Colonel Vaso Predojevic, commander of the Fifth Army district in charge of moral education and legal issues. He also claimed Slovene Territorial Defense units are not allowing YPA personnel access to technical equipment that requires maintenance.

Despite minor provocations against the Army overnight, both sides have been observing the cease-fire, Col Predojevic said.

Asked to comment on a statement by Janez Jansa this evening to the effect that "the YPA is preparing a new attack on Slovenia," Col. Predojevic said he knows nothing about it and that the Fifth Army District has been fully complying with SFRY presidency decisions.

International

EC Preparing New Four-Point Peace Plan

LD0707183291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1737 GMT 7 Jul 91

[Text] Brioni, Yugoslavia, 7 Jul (TANJUG)—The European Community (EC), TANJUG has learned on the island of Brioni, is preparing a new agreement for settling the Yugoslav crisis which should be signed by all parties concerned.

The agreement, it has been learned from the delegation of the three EC foreign ministers (the Netherlands, Luxembourg, and Portugal), differs to a certain extent from the one agreed upon with the Yugoslav Presidency and government during two previous visits to Yugoslavia by an EC troika. The new agreement is believed to contain four points: a cease-fire, the establishment of full authority of the Yugoslav Presidency over the armed forces, the start of negotiations on Yugoslavia's future, and control of the borders. It has been learned that full accord has not been reached between federal authorities and Slovenia on the last point, which included the question of customs duties.

The rift between Slovenia's position and that of the Yugoslav Presidency and government has clearly not yet been bridged. Yugoslav Presidency member from Slovenia, Dr. Janez Drnovsek, said today his republic had presented its own proposals. Differences have been reduced, but the question of borders and customs duties remains a stumbling block. Yugoslav President Stipe Mesic said today he no longer felt optimistic. "We are moving slowly but in the right direction," said Dr. Vasil Tupurkovski, Presidency member from Macedonia.

The impression is gained that the EC stand is now more inclined toward Slovenia than before. The first EC "package" consisted of a cease-fire, a three-month moratorium on the implementation of all documents relating to the declaration of independence of Slovenia and Croatia, and the election of a president and vice president to the Yugoslav Presidency. It has been learned that a new EC team is expected to arrive in Yugoslavia on Tuesday or Wednesday next week. No announcement has been made about its form, but it will most likely be an observer mission made up of senior officials.

Mesic, Tudjman Comment on Brioni Agreement

LD0807005191 Belgrade TANJUG Domestic Service in Sebro-Croatian 0001 GMT 8 Jul 91

[Text] Brioni, 8 Jul (TANJUG)—We also had different interpretations following the first agreement, but this last proposed and adopted document harbors realistic hopes that a peaceful solution to the crisis will be consolidated. This was said tonight in Brioni by Stjepan Mesic, president of the SFRY Presidency, in reply to a question whether the adopted resolution had removed the threat of a violent solution to the Yugoslav crisis.

Stipe Mesic also stressed that a certain lesson had been given to everyone, including the Army too, and expressed his belief that the adoption and implementation of the Brioni decisions provided for a peaceful solution of the Yugoslav crisis.

"I am happy with the adopted agreement particularly because, such as it is, it gives hope of curbing the wave of violence in Yugoslavia," President Franjo Tudjman of the Republic of Croatia said following the final plenary session.

Brioni Participants Adopt Resolution

LD0807000591 Belgrade TANJUG Domestic Service in Serbo-Croatian 2327 GMT 7 Jul 91

[Text] Brioni, 8 Jul (TANJUG)—In Brioni, a resolution on a peaceful resolution of the Yugoslav crisis was adopted in principle shortly after midnight.

The resolution was adopted by all the Yugoslav participants in the talks and the three foreign ministers of the Netherlands, Luxembourg, and Portugal—Van den Broek, Jacques Poos, and Joao Pinheiro.

The resolution was adopted after 16 hours of negotations and talks between the EC representatives and their Yugoslav partners. The Yugoslav party in the talks consisted of Stjepan Mesic, president of the SFRY Presidency, with the members of the presidency, Premier Ante Markovic and a number of government members, as well as representatives of Slovenia, Serbia, and Croatia—Milan Kucan, Borisav Jovic, and Franjo Tudjman.

The adopted resolution should be adopted by the Republic of Slovenia Assembly, the Yugoslav Presidency, and the Federal Executive Council.

The declaration includes all the principles which should be strictly respected in order to ensure a peaceful solution to the Yugoslav crisis.

The first principle is that only Yugoslavia's nations can decide on their own future. The second one is that negotiations must start immediately on all the aspects of Yugoslavia's future without setting any preconditions. The collective presidency must have full competence over the Armed Forces of Yugoslavia. The principle was also eventually adopted that all the parties must refrain from any unilateral moves.

The most disputed issue was that of borders and customs. The declaration says that control of the border crossings is carried out by Slovenia's police which should operate in line with federal legislation.

As far as customs duties are concerned, they should remain federal income. The declaration also says that all internal and international air traffic is controlled and guaranteed by the competent federal organs. As far as the security of borders is concerned the situation that was in effect by 25 June this year should be restored.

The declaration urges the lifting of the blockade on all units and facilities of the Yugoslav Peoples' Army [YPA], the unconditional withdrawal of YPA units to their barracks, and the handing back of all equipment and devices to the Army, while all individuals taken hostage during the hostilities must be released as soon as possible.

The very fact that the resolution has been adopted in principle suggests that only the first, if not major, move has been made in resolving the Yugoslav crisis. As expected, the representatives of Slovenia remained inflexible in their stands in spite of the great efforts of the EC ministerial troika to talk them into a compromise.

The chairman of the EC Council of Ministers, Dutch Minister Van den Broek, expressed the hope that the declaration could be the beginning of peace in Yugoslavia. He told numerous journalists that on Tuesday [9 July] one EC "surveillance" mission is arriving which should examine all the conditions for the arrival of the EC observers' mission.

The head of the Yugoslav diplomatic service, Budimir Loncar, also spoke with optimism as he thanked the European troika for their support and help in resolving the difficult Yugoslav crisis.

Kucan Praises Outcome of Brioni Talks

LD0807081291 Belgrade TANJUG Domestic Service in Serbo-Croatian 0620 GMT 8 Jul 91

[Text] Ljubljana, 8 Jul (TANJUG)—"The most important thing is that we will conduct talks in peace. The laws and acts of the republic's autonomy are not endangered," Slovene President Milan Kucan said after the Brioni meeting.

We wanted to, and we achieved our intention of internationalizing the Yugoslav crisis. We showed a good deal of flexibility in the talks. We showed that above all we want peace and that we are against war. In this way we gained European credibility. The road to autonomy will be a long one, though after three months of negotiations this journey ought in practical terms to be completed. In fact, no one in Brioni disputed the plebiscite and the documents based on it were accepted on 25 June, Milan Kucan said in a conversation with journalists.

Kucan's Statement Reported

AU0807100791 Ljubljana Radio Slovenia Network in Slovene 0800 GMT 8 Jul 91

[Statement by Slovene President Milan Kucan after meeting with EC troika at Brioni—recorded]

[Text] We have been confronted with the direct danger of war, which we are still facing. You are familiar with the statements by the highest leaders of the Yugoslav Peoples' Army, whom no one controls, and therefore it was our primary aim in the talks with highly responsible EC people—that is, their foreign ministers—to achieve peace as the fundamental goal. I think that, in principle, peace has now been assured. Because of the situation that prevails in Yugoslavia, we wanted this problem to be internationalized. Assurances in connection with this were also given. The first group of high officials will arrive tomorrow, which will have everything ready to start negotiations on the civilian and military supervision. The negotiations, which should start at the earliest, [Kucan corrects himself]—excuse me that is to say, at the latest by 1 August, would last three months, and in those three months it would be necessary to regulate many matters concerning the very essence of the Yugoslav crisis and its solution.

I think that today —just as at the previous two meetings—we showed enough flexibility, we showed that we care for peace and not for war and that we had also gained credibility in Europe by this, which is what we need most at the moment.

It is obvious that there are many problems with the standpoints. Even at the end (?of the meeting) Mr. Markovic, president of the Federal Executive Council, in effect did not agree to anything that would represent a true step forward in the negotiations. Of course, it

became evident that our path for the final implementation of Slovene independence will be long. What is important and cannot be disputed, is that after three months of these negotiations and efforts—that is to say those relations—this path will practically end, as no one has disputed Slovene plebiscite, and Slovene documents adopted on 25 June on the basis of the plebiscite. I think this is the most important thing for us, beside the fact that these talks will be held in peace.

Press Roundup on German Position on Crisis

LD0307131491 Belgrade TANJUG in English 1101 GMT 3 Jul 91

[Text] Belgrade, July 3 (TANJUG)—The Zagreb daily VJESNIK today writes that intervention by the Yugoslav People's Army (JNA) in the Republic of Slovenia and the dramatic escalation of the situation in the Republic of Croatia "could force Bonn to very quickly recognized Slovenia and Croatia."

The daily which is issued in the capital of the Republic of Croatia, observes that "this view prevails in diplomatic circles in Bonn", and that "German media [as received] is now already seeking the recognition of the two "freedom-loving republics".

"German Foreign Minister Hans-Dietrich Genscher has now become an advocate of the right to self-determination, the daily notes, hoping for some kind of a loose Yugoslav confederation at the most."

The Ljubljana daily DELO writes that "the more a part of the Yugoslav Army leadership insists on resolving by force the situation which has resulted from the army's attack on Slovenia, the European public will all the more stand on the side of sovereign and independent Slovenia."

DELO, issued in the capital of the Republic of Slovenia, believes that "German public support to Slovenia, a victim of aggression, was the reason for this week's visit to Yugoslavia by German Foreign Minister Genscher and his talks with Slovenia's leadership."

The Belgrade daily VECERNJE NOVOSTI in its article headlined "Genscher Without Mask" today quotes an interview the German foreign minister gave to German television upon his return to Bonn on Tuesday in which he said that "the Yugoslav Army is acting on its own and is not susceptible to political control."

The German foreign minister in a second interview to Bavarian radio also on Tuesday, "blamed the 'undemocratic army' and 'communist leadership of the Republic of Serbia' for the intensification of the crisis in Yugoslavia", the daily quotes.

Genscher said, the daily quotes, that "the order for military intervention in Slovenia was not given by the Yugoslav Federal Government but the Army command which has become independent and is acting without constitutional authorization."

POLITIKA Assails Growing German Influence

LD0307132191 Belgrade TANJUG in English 1147 GMT 3 Jul 91

[Text] Belgrade, July 3 (TANJUG)—German Foreign Minister Hans-Dietrich Genscher came to Yugoslavia after the troika of the Brussels "twelve" to state that it is not completely acceptable that Yugoslavia remains single if Slovenes and Croats do not want it, as set out in a foreign policy commentary published in the Belgrade daily POLITIKA.

Consequently, the agreement reached in the European Community is not binding. Another agreement could be reached in the Central European family. The only problem is that the Army in Yugoslavia is authorized to protect the country's territorial integrity, POLITIKA said. The Army is, therefore, to be lured into the trap and the rest will follow by its natural course, the daily said.

A new Europe cannot be based on the relations by which the former one had been retailored. Yugoslavia is only one example, POLITIKA said. The world in which Japan and Germany, each with its military and other claims, have regained their economic power, frightens the older generation, the daily said.

German generals are deciding in Sofia on whether Bulgaria will cooperate with NATO or not. The Germans are competing with the British over whether a British or a German would be in command of "rapid reaction forces" in the troubled regions of Europe and the Balkans.

Everything is new, but it is starting to evoke deja vu. A new Europe does not have to end up as the old one. Disintegration of existing states and formation of new ones along the Danube can wait, POLITIKA concluded.

'Secret' Activities Assessed

LD0707181891 Belgrade TANJUG in English 1642 GMT 7 Jul 91

[Text] Belgrade, July 7 (TANJUG)—The Belgrade daily POLITIKA says today 'Germany's plans to gain access to the Mediterranean through Yugoslavia's breakaway republics of Slovenia and Croatia are becoming increasingly likely to bear fruit.'

Under the headline 'The Germanic Drive Towards the South,' POLITIKA says members of Austrian and German special forces have operated in Slovenia, and are still there.

There are indications that German mercenaries took part on Slovenia's side in clashes between its territorial defence forces and Yugoslav Army troops, and that they operated Ambrust missiles, POLITIKA says.

Germany's and Austria's positions, which have now become evident to all, were preceded by 'secret activities by intelligence services and other special forces' in

Slovenia, and their presence was legalized last year when the Demos coalition won the elections, the daily claims.

'Operatives of Germany's intelligence service BND and Austria's AVER on secret missions were replaced by numerous civilian and military experts in the field of special police and terrorist actions, and members of special military forces,' POLITIKA writes.

The daily claims that about forty Bundeswehr special forces members and instructors trained the elite 27th Brigade of Slovenia's Territorial Defence, which is modeled after the Brandenburger Regiment of Hitler's Wehrmacht.

The 27th Brigade received its weaponry and equipment, including German-made Ambrust anti-tank rockets, from foreign sources, POLITIKA writes.

'Austrian Brigadier General Palmisano Simon from May 9 through 11 this year visited Slovenia, where he held talks with (Slovenian Defence Minister) Janez Jansa on future Austro-Slovenian military cooperation, the daily says.

POLITIKA also claims that former Croatian interior minister Josip Boljkovac also held contacts with German military advisers during their stay in Slovenia.

Germany Rejects Allegation of Arms Deliveries

LD0707170791 Belgrade TANJUG in English 1500 GMT 7 Jul 91

[Text] Bonn, July 7 (TANJUG)—Germany's Defence Ministry has denied the claims made by some Belgrade newspapers that the German authorities had participated in the deliveries of firearms to the Yugoslav republics of Slovenia and Croatia and in training their paramilitary forces.

A Defence Ministry spokesman told the German news agency DPA that such allegations were the result of a 'fertile imagination.'

The agency's Belgrade correspondent said he believed that 'Yugoslavia's biggest republic Serbia has found a scapegoat for the conflict in the multi-national state' by ascribing to Germany the desire to break up Yugoslavia in order to form a 'fourth reich.'

Soviet Official Supports Territorial Integrity

LD0607203891 Belgrade TANJUG in English 1918 GMT 06 Jul 91

[Text] Belgrade, July 6 (TANJUG)—The Soviet Union supports the unity and territorial integrity of Yugoslavia, but its future structure should be decided by the Yugoslav people, the [words indistinct] Yuli Alesandrovich Kvichinsky, told Yugoslav Prime Minister Ante Markovic conveying a verbal message by his president here today.

The Soviet president believes that the events in Yugoslavia are also "in the immediate interest of the Soviet Union" because of their possible effect on the situation in this country, he said.

"We support democratic solutions, but not those which threaten European borders," the envoy said and added that the Soviet Union is opposed to the internationalization of the Yugoslav crisis in the current way. Gorbachev said that the Soviet Union will oppose the convening of the U.N. Security Council on Yugoslavia. The envoy told Markovic that Moscow believes that some Western countries are changing their views on Yugoslavia, something which the Soviet Union opposes. Markovic underscored that the Yugoslav Government's efforts are aimed at "establishing the normal Yugoslav borders."

Pointing out that there are indications about outside interference, the Yugoslav prime minister said: "We do not want anyone interfering in our internal affairs in the name of democracy, rather we want this interference to [words indistinct] democracy."

Kvichinsky also met with Yugoslav Foreign Minister Budimir Loncar. The two officials underscored that the two countries now face numerous similarities and congruities, and that both are resolved to settle them in a democratic way.

Loncar and Kvichinsky agreed that any kind of disintegration of the existing international subjects in Europe could have extremely nevative and dangerous consequences.

The Soviet envoy also met with Serbian President Sloboban Milosevic to discuss the situation in Yugoslavia. This evening Kvichinsky leaves for Zagreb where he will meet Yugoslav Presidency President Stipe Mesic and Croatian President Franjo Tudjman.

Austrian Envoy Summoned Over 'Interference'

LD0707165691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1428 GMT 7 Jul 91

[Text] Belgrade, 7 Jul (TANJUG)—Assistant Federal Secretary for Foreign Affairs Dusan Rodic today summoned Austrian Ambassador to Yugoslavia Walter Siegl and, on behalf of the Yugoslav Government, handed him a letter of strong protest over the policy and attitude of Austria in connection with developments in Yugoslavia.

The Austrian ambassador was told that the Austrian policy represents crude interference in Yugoslavia's internal affairs and that Austria has been encouraging separatist tendencies aimed against Yugoslavia's integrity and sovereignty. Austria is waging a campaign against the integrity of Yugoslavia, and it has been asserted that disintegration of Yugoslavia has started and that it no longer exists as a state. Old and outdated dangerous concepts are being revived regarding Austria's

"particular" national interests toward Slovenia and Croatia, which proceed from "historic links between the three neighboring nations."

Particular stress was laid on the fact that it is suprising that Austria underestimates and ignores widely known negative historical experiences.

It was pointed out to the ambassador that in the course of last year and this year, a large quantity of modern military weaponry was exported illegally from Austria and through Austria to Slovenia and Croatia, and the Yugoslav side has appropriate documents concerning this. The attention of the Austrian side was also drawn to the fact that Yugoslavia had already indicated the above-mentioned impermissible exports of armaments to Austria.

It was pointed out in particular that the recent imposition of a state of military readiness and other military measures on Austria's border with Yugoslavia had an immediate effect in terms of increasing tensions, and represent a demonstration of force.

The Yugoslav side rejects the allegation that Austrian military activity on the border with Yugosalvia represents a preventive measure against penetration of the Yugoslav People's Army [YPA] from the territory of Yugosalvia. It was stressed that this allegation is without any foundation because there is not a single indication that internal events in Yugoslavia in any way affect they security of Austria.

Austria, moreover, is developing broad-based international activity vis-a-vis European and other countries so that they might accept Austrian standpoints on recognition of the secession and independence of Slovenia and Croatia.

The Austrian ambassador was told that Austria as a neighboring country should be aware that such activities are not in line with the policy of good-neighborliness and that, essentially, they undermine the current level of cooperation and seriously threaten bilateral relations. It was also stressed that Austria's attitude to events in Yugosalvia contravenes the UN Charter and key CSCE documents, all of which guarantee the sovereign equality of states and the inviolability of their territorial integrity.

Austria's activities are even less comprehensible in light of the fact that they are directed not only against a neighboring country, but also against a country which is a signatory to the state treaty on an independent and neutral Austria. Austria's behavior falls outside the above framework which implies an enormous responsibility before the international community.

The Yugoslav side has asked the Austrian Government to take note of the demarche and to inform the Yugoslav Government about its standpoint on it.

Slovenia

Slovene Generals Issue Statement Condemning Army

AU0507204091 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 5 Jul 91

[Text] Yesterday, retired generals, veterans, and officers of the Yugoslav People's Army [YPA] talked with Slovene President Milan Kucan on the military situation in Slovenia and published the following statement on the aggression against the Republic of Slovenia:

We resolutely condemn the action of the YPA in Slovenia as an illegal and politically and morally inexcusable and unacceptable act. The YPA had arisen and developed as an armed force of all the peoples and nationalities of Yugoslavia for the defense of its independence and territorial integrity against external threats, and certainly not for the restriction of freedom, sovereignty, and equality of the peoples and nationalities of Yugoslavia.

In this case, the YPA was misused against the freely expressed and legitimate will of the Slovene people. Such a misuse of the Army that we cooperated in creating and in which we invested all our lives' forces and abilities has deeply injured us. We appeal to all the YPA personnel, and especially its highest leadership, to take into account the new circumstances and to contribute with their activities to a democratic renewal of our community, and to cease at once their forcible restriction of these processes.

Those attending the talks with Milan Kucan, president of the Presidency of Slovenia, were generals Stane Potocar, Ivan Dolnicar, Franc Tavcar, Rudolf Hribernik, Avgust Vrtar, Branko Jerkic, Pavle Sulc, Edvard Pavcic, Miha Petric, and Mirko Mirtic. Those taking part in the talks appeal to other generals and officers to join the statement.

First Damage Estimates Approach $3 Billion

LD0507214391 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 5 Jul 91

[Text] The first estimates of the damage caused by the Army intervention in Slovenia are available. According to these estimates, the damage is put at 94,000,200,000 [figure as heard] dinars, or $2.714 million. If we compare this damage with the aggregate of Slovene revenue we discover that the damage exceeds our state's annual revenue by 40 percent. The social product has dropped by about 10 percent. Damage has been caused to 180 installations which have been either partially or totally destroyed. This damage encompasses direct property damage, the damage suffered by our tourism which runs to $820 million, and the loss of revenue has also been taken into account.

It must be stressed that this is an initial assessment of the material damage we have suffered.

Kucan Comments on Democracy, Role of Federal Army

AU0507105791 Munich SUEDDEUTSCHE ZEITUNG in German 5 Jul 91 p 13

[Interview with Slovene President Milan Kucan by Peter Sartorius; place and date not given: "For the Army, Democracy Means Subversion"]

[Text] [Sartorius] Mr. President, you have been at the top of an independent country for a week. Since then, this country has been at war. Do you reproach yourself for having made mistakes in preparing for Slovenia's independence?

[Kucan] Generally speaking, I do not believe we have made mistakes. Perhaps we have failed, however, to consider adequately the European and global realities. Perhaps we have not fully viewed these realities in connection with the Yugoslav reality, nor fully considered that Yugoslavia's unreadiness for real changes and talks for a democratic solution were supported by Europe's interest in Yugoslavia's unity. It seems to me that, basically, this insistence on Yugoslavia's unity has encouraged the centralist and militaristic as well as the hegemonistic circles in Yugoslavia to take this brutal step, which otherwise they would never have taken.

[Sartorius] Were you unable to predict this military intervention?

[Kucan] We did expect a reaction, but not in such a brutal form. The reaction has shown that the Army is exactly what we have always claimed—an ideological and political army and a totally autonomous factor in Yugoslavia's political life.

[Sartorius] Under these circumstances, can we ever expect a peaceful solution to the conflict?

[Kucan] There are two ways to end this war. One option would be the total military subjugation and occupation of Slovenia, as General Adzic said in his television statement. This would mean that the Army subjugated not only Slovenia but also Yugoslavia's civilian state organs, in particular the government and the State Presidency. Basically, it would mean that the Army subjugated democracy. The second option that might end of the conflict would be a large commitment from the international sector—now that it has become obvious that there is no control over the Army, that the Army does not recognize any control, neither by the government nor by the supreme commander (the State Presidency—editorial board). However, I hope very much that the Slovenes will not suffer the same fate as the Kurds about whom the international public only cared after the bombs had been dropped on them.

[Sartorius] You met with German Foreign Minister Hans-Dietrich Genscher in Villach, Austria, on 2 July. Do you have the impression that a change of the political mood is taking place in Germany and in the whole of West Europe?

[Kucan] Regrettably, my talks with Genscher took place in the shadow of tank columns and air raids on Slovenia, so our main topic was how to stop the use of arms, with which Slovenia was being attacked on that day, and which hindered Mr. Genscher in coming to us. I think that was more convincing than many words. But, of course, it also proved once again that politics is not a matter of sympathy or antipathy, but a matter of solid interests. The interest in democracy, in peace and in security has forced Mr. Genscher to act quickly, more than his possible sympathy for Slovenia.

[Sartorius] In this connection, how important do you consider the argument that now the issue is not just Yugoslavia's unity any more but also the problem of democracy or totalitarianism?

[Kucan] I have always believed that for Europe, democracy is most important, and that only the implementation of democracy makes it possible to objectively define the individual citizen's interests which are then pooled in the interest of the whole. The trouble is that democracy in a multinational state includes also the right of self-determination, and that is what happened in Yugoslavia. This right must be brought into line with Yugoslavia's prospects for the future. Either we implement the right of self-determination by staying within Yugoslavia (which could also be different from what it is), or we implement it by seceding from Yugoslavia and then thinking about a possible, new, larger community. Such a community with democratic, pragmatic, and economic ties would, of course, be basically possible. The existence of Yugoslavia as a single state kept together by the Army through force and brutality—in other words, a state where the Army would be the only integrating force—is not only not possible but would not even have any prospects for the future. Let me say it more clearly: The Army is now apparently defending Yugoslavia's unity or integrity, but in reality, it defends an ideological construction of Yugoslavia to which alone it owes its social position. By protecting Yugoslavia, the Army also defends its existence and its position.

[Sartorius] Are you still in contact with the Army?

[Kucan] No, I am firmly convinced that our partner in talks cannot be the Army, but only the civilian power in Yugoslavia. In addition, General Kadijevic (the Yugoslav defense minister—editorial board) rejected talks with our Defense Minister Janez Jansa and myself some time ago; we had offered to hold such talks. Actually, the Army does not hold talks with anyone any more—except, if at all, with Yugoslav Prime Minister Markovic who protects it formally.

[Sartorius] Mr. President, what would have happened if the Slovene Territorial Defense forces had not offered resistance to the Army tanks?

[Kucan] If no one offered resistance to the tanks, they would roll over all of Slovenia, and they would thereby destroy all the democratic efforts made by Slovenia to become an independent and sovereign state, as

expressed by the large majority of our citizens—Slovenes and non-Slovenes—in the referendum.

[Sartorius] Would the military enter your office in the presidential building by force and arrest you?

[Kucan] In view of the statement made by General Adzic on television, I think that this would be a very realistic expectation because I am at the head of this republic, which has changed the state. This state was based on a social model and an ideology that allowed the Army to hold a self-important position. The fact that it is a power that was elected in democratic elections is irrelevant for the Army. What is more, for the Army democracy means subversion.

[Sartorius] In your view, when will your country have the external signs marking independence—international recognition and a separate currency?

[Kucan] I believe in democracy as the basis of relations between the peoples. I also believe that, because most European states endorse democracy, Europe will also prove its democratic position in the case of Slovenia as well. In implementing self-determination, there is only one restriction—other peoples' rights must not be violated. We did not want to achieve independence in a way that would have ignored the interests of others. Nor did we want to threaten European security. We have always advocated a step-by-step approach on the basis of agreement. Our measures at the borders and at customs have changed nothing about our existing practice. Essential changes would only be brought about by additional steps—such as the introduction of our own monetary system, our own currency, our own customs regulations, and our own foreign relations. That would have consequences for others. We are ready to discuss it with others. That is why we did not find it difficult to accept the wishes of the troika (the three EC foreign ministers who were sent to Belgrade and Zagreb to mediate—editorial board).

[Sartorius] Do you regret that the Yugoslav state will now probably disintegrate?

[Kucan] To begin with, I would remark that Adam and Eve were driven out of paradise, but they were not forced to go into paradise. I think that following the present escalation, a certain form of coexistence between the Yugoslav peoples has become history. The Yugoslav peoples already lived without a common state in the past. They can continue to live without a common state. They can be very good neighbors, and they will cooperate very well. They will be able to develop a very close community, a community with a high level of integration comparable to the European Community. But they will build such a community because they so wish and because they have an interest—and not because they are forced to have such a community.

[Sartorius] Mr. President, these are very difficult days for you. May I finally ask you a very personal question? When did you really sleep last?

[Kucan] The last time was the night prior to the solemn proclamation of Slovenia's independence, meaning prior to the evening when I told my fellow citizens in an address that dreams were permitted that night, but a new day would be breaking tomorrow. However, already we had to break off our dreams that same night.

Slovene Officials 6 Jul News Conference Reported

AU0607130491 Ljubljana Radio Slovenia Network in Slovene 0910 GMT 6 Jul 91

[News conference with Slovene Information Minister Jelko Kacin, Slovene Foreign Minister Dimitrij Rupel, and Slovene Presidency member Ciril Zlobec; in Ljubljana—live]

[Excerpts] [broadcast in progress] [Kacin] ...Vasil Tupurkovski from Macedonia and Bogic Bogicevic from Sarajevo, because they have now already departed. Despite the guarantee by Mr. Markovic, prime minister of the Federal Government, that Ljubljana Airport would be open by 1000 [0800 GMT], the federation still has not made it possible to use this airport, because of the hitches in federal air traffic control; therefore the two had to return by ground transportation. Mr. Tupurkovski has commitments in the Macedonian Assembly where the relationship of the Republic of Macedonia toward our republic and all the complications in Yugoslavia are to be discussed.

I give the floor to Ciril Zlobec, member of the Presidency of Slovenia.

[Zlobec] Hearty greetings on my behalf, too. I wish to inform you briefly on the talks the expanded Presidency of Slovenia held with Federal Presidency members Tupurkovski and Bogicevic.

As you know, preliminary talks started last night with fewer participants, continued today, and have just ended. The talks were not intended to reach any definitive arrangement by either side. On the one hand, Bogicevic and Tupurkovski arrived in Slovenia primarily to explain what perhaps has not been clearly expressed in the points [of the SFRY Presidency statement] and what the Presidency discussed. On the the other hand, they came to hear the Slovene side's position.

In my assessment, the very atmosphere in the talks at the Slovene Presidency session, attended by, to be precise, the two representatives of the federal leadership, was rather painful and grave considering the situation prevailing in Yugoslavia. The Slovene side, that is, the Slovene Presidency, again called the document [of the SFRY Presidency] an ultimatum both in form and content. It came to this conclusion because the majority of the points set deadlines by which, as in an ultimatum, Slovenia is required to fulfill a number of obligations; but no such rigorous deadlines are set for the Army.

At the same time it appeared to us to be an ultimatum because after the very threatening statements by Adzic and Negovanovic, both of whom spoke on behalf of the Army, neither the Presidency nor the government nor Markovic—nobody—distanced himself from these threats; so the points offered for discussion were in fact overshadowed by military or generals' threats.

To be specific about the document that was discussed, the Slovene Presidency notes that points 2 through 7, which is to say the majority of the points, more or less coincides with what Slovenia itself had proposed and offered by its decision on a unilateral cessation of hostilities. We therefore believe that the listing of these points in such a form is an ultimatum to delude the world political public, implying that Slovenia has not done anything to end the hostilities, to carry out all the humanitarian moves connected with this, and of course to respect the truce.

With regard to the first point, demanding that the situation return to the status quo, the situation before 25 June, we all unanimously assessed and both guests agreed that this is a political question which cannot be discussed unless some other problems are suitably resolved first. The point does not take into account the basic fact that in Slovenia, after 25 June when Slovene independence was proclaimed with a constitutional act, it is no longer possible to speak about a situation that could be changed with such an arrangement.

Second, the Army's intervention in Slovenia was not provoked by the Slovene side in any way, and in our assessment it retains all the connotations of aggression. Therefore, of course, it cannot be a reason for changing the situation.

Let me now make some specific assessments. Today's talks in the Presidency of Slovenia among the [EC] troika who arrived in Yugoslavia and the Yugoslav and the Slovene sides will continue tomorrow. Before that, the two sides—the Presidency of Yugoslavia and the Slovene side, along with others who are to take part in the talks with the troika—will meet at a special meeting at which they will try to harmonize some matters or at least exchange views.

At this meetings, both the preliminary Yugoslav one and the one with the troika, the Slovenes want to ensure at least the following:

First, to definitely elucidate the correct interpretation of the point which speaks about Slovene sovereignty and which has been mentioned earlier at meetings with the troika. Many people in Yugoslavia question this sovereignty, while we interpret the troika's position to mean that the very act on independence cannot be questioned.

Second, we should agree exactly what the three-month moratorium means, what can be agreed upon in this time, from what starting points the talks should be conducted in these three months, and what the position of the Troika and other Yugoslav partners is regarding the talks with Slovenia after the expiration of the three-month term.

Until these matters are clarified, all the talks are of course in danger of turning into a nebulous presentation of different interpretations from one side or another.

Third, regarding the experiences with the present truce—the Army asserting that the Territorial Defense is violating the truce while we possess evidence to the contrary—an expansion of the international supervisory commission is urgent at all levels, and so is of course an appropriate guarantee by the European Community (?through) the Troika.

And of course, considering Adzic's and Negovanovic's threats which, I stress again, nobody has denied and nobody has dissociated himself from, it is very important to our side that it is assured under international supervision that during the three-month moratorium when the talks will be conducted there should be, or rather there must be no hostilities, no Army intervention, and of course also no armed intervention by the Territorial Defense.

As the last point, if these talks during the moratorium are to be fruitful, one should determine at least the framework, the aims, and the starting points of such talks at the very beginning, if possible tomorrow. Otherwise the talks will be restricted to mutual accusations by the two sides. Of course what still remains is the basic question of peace, which we want to have now during the negotiations and of course afterward, too.

The open question we must urgently pose, or rather is being posed, is the problem the commission of experts must work upon—we also discussed it today—and it is the question of war damages. Many people wonder in this connection whether this is a rhetorical question or a rhetorical problem. Even until now, with all the military exercises and the military operations that the Army had carried out, the Army afterward paid for the damage caused in the field, to agriculture, and possibly to buildings. This applies even more in this case, and therefore a commission is already working on our side, and we expect that the other side will also respond at once.

We have no answer at all, and we of course request it, to the question the Slovene side will ask tomorrow: What has happened to the Slovene youths who are still serving in the Yugoslav Army would like to leave it? Slovenia is unconditionally sending back all its prisoners, while the other side has not yet reacted to this request.

If I sum up, in connection with the demand of the previous three points of the Troika, among which in their opinion one of the basic demands was the resumption of the functioning of the Presidency: We note that this Presidency has in fact been set up, but that in its first moves it has not shown itself to be independent of the Army's influence. It is still not in a position to address the Army with the same vehemence as it has addressed

Slovenia, although the Army caused the conflict, and Slovenia was the victim of the conflict, in which it defended itself according to all the rules and ethics and other laws. Thank you. [passage omitted]

[Kacin] The cease-fire is very fragile at the moment, for we have no special assurances from the other side that it will keep it. The withdrawal of units to the barracks has been accomplished. It is true, however, that the units in the barracks are not at their full strength at this moment. Any kind of strengthening of these units with additional fresh soldiers from other parts of Yugoslavia would severely aggravate the situation and would jeopardize the basic agreements that have been reached. The withdrawal to the barracks and with a simultaneous arrival of fresh units from other parts of Yugoslavia would be unacceptable to our side. [passage omitted]

[Unidentified reporter, in English, with simultaneous Slovene translation] My question is addressed to Mr. Zlobec. You have mentioned reparations, war reparations and payments, and that if your demands are not met, you will stop your payments to the federal budget, for instance the customs revenue and so forth?

[Zlobec] I guess that this is the least we can do if these negotiations do not succeed. [passage omitted]

[Unidentified reporter] Can you answer the questions whether all the prisoners were released or deported yesterday?

[Kacin] They were not.

[Unidentified reporter] If not, will they be?

[Kacin] No, not all of them have been released, nor will they be, simply because many among them do not wish to return to their republics because they have no guarantees that they will be treated as prisoners of war should be. At the same time I wish to warn you that our side has agreed to the release of the prisoners of war although we have no guarantee that the hostilities have ceased. What we have done is more than required by international law, because truce has to be agreed upon before prisoners are exchanged. We only have a temporary cease-fire, which still continues. As we said several times today, we have no statement by the other side that would deny the threats by General Adzic, chief of the General Staff of the Armed Forces.

Any other question? If not, thank you.

Slovene Presidency Statement Reported

LD0607161791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1406 GMT 06 Jul 91

[Statement from the expanded session of the Slovene Presidency on 6 July]

[Text] Ljubljana, 6 Jul (TANJUG)—The Slovene Presidency examined, at an expanded session (this morning) chaired by Milan Kucan, the stands of the SFRY Presidency of 4 July 1991. The session was attended by members of the SFRY Presidency Vasil Tupurkovski and Bogic Bogicevic; Slovene Assembly President France Bucar; Executive Council President Lojze Peterle; Janez Drnovsek, member of the SFRY Presidency from Slovenia; and Ministers Igor Bavcar (interior), Janez Jansa (defense), Jelko Kacin (information) and Dimitrij Rupel (foreign affairs).

The Presidency and other participants from the republic of Slovenia proceeded from the principles and facts that the questions of cease-fire and peace could not be discussed from positions of ultimatums, announced the Slovene Presidency. In the same way, the statement goes on, the proclamation of Slovene independence on 25 June and the carrying out of all functions of factual power on its own territory cannot be overlooked. The statement stresses the SFRY Presidency and other Federal organs did not object to the right of the Slovene people to self-determination either before this date or after.

In the same way, the statement says, one must bear in mind that the Yugoslav People's Army [YPA] exercised aggression against the Republic of Slovenia and that there was war in Slovenia which is not yet over, which only means that combat activities ceased.

During the talks, the parties agreed that the self-determination of the Slovene people with the right to full independence was not contestable, neither was the result of the plebiscite of the Slovene people and citizens of Slovenia nor the decisions of the Slovene Assembly endorsed on 25 June 1991.

After the cease-fire, the statement says an agreement should be reached on ways to further implement the Republic of Slovenia's right to self-determination and independence so that the same right should not violate interests of others and should not endanger peace and security in Europe. The Slovene side stressed, the statement says, that the SFRY Presidency and EC should provide guarantees. Both members of the SFRY Presidency stated on behalf of the SFRY Presidency that the Presidency guarantees the respect of the cease-fire and all agreements in this regard.

No explanation was given to the question of responsibility for the beginning of the aggression, the role that the SFRY Presidency played in all that, and the stand of the SFRY Presidency toward chief of General Staff Blagoje Adzic's statement on proclaiming war on Slovenia by all means. The Slovene side, the statement says, finds it important to get guarantees from all republics and Federal bodies that an armed force and threats by force will not be used when solving open questions. The republic of Slovenia has already given such guarantees, the statement says.

Regarding ultimatum-like demands by the Federal president on the borders, the Slovene side has concluded that this issue should be resolved in accordance with stand of

the Slovene Assembly, in cooperation with the three appointed EC ministers at tomorrow's meeting, and, in this regard, the real state of affairs should be considered. In addition, it was said a final goal of the three-month period should be determined, in which, to achieve easier negotiations, adoption and implementation of further decisions based on the already adopted documents on independence of the republic of Slovenia should be avoided.

The Slovene side, the statement says, stressed that it was vital during talks with the three authorized EC ministers tomorrow to determine the procedure of the EC, while respecting the participation of the CSCE mission in resolving the current problems.

Regarding other points raised in the stands of the SFRY Presidency, the Slovene Presidency noted—during talks with members of the SFRY Presidency who attended the expanded session—a possibility of a meaningful and universally acceptable agreement which would fully evaluate the activities of both sides so that a definite cease-fire and the return of the Army to their barracks and homes would be achieved.

The Slovene side, the statement says further, has recently accepted decisions for the sake of peacefully resolving open issues. For this reason, it reiterated, among other things, its proposal to set up a joint commission consisting of federal organs and the Republic of Slovenia for supervising the cease-fire and for resolving all controversial issues in this regard.

The setting up of such a commission had already been agreed upon during the meeting with Federal Executive Council [FEC] President Ante Markovic and later with SFRY Presidency President Stipe Mesic. However, the FEC failed to realize this, despite urgent demands. Both members of the SFRY Presidency were convinced that the SFRY Presidency would do its utmost to set up and ensure work of such a commission.

During the talks, the Slovene Presidency made a resolute demand that soldiers who are being kept in the YPA against their will be allowed to leave Slovenia, that any form of moral or physical pressure against them be stoppped immediately, and that soldiers be released from prisons. Representatives of the Republic of Slovenia also raised the issue of compensation for war damages which was caused by aggression against the republic of Slovenia, says the statement from today's expanded session of the Slovene Presidency.

Mesic Views Moratorium, EC Aid

LD0607192291 Paris Antenne-2 Television Network in French 1800 GMT 6 Jul 91

[Text] [SFRY] Federal [Presidency] President Stipe Mesic, whose authority has often been challenged, says that the Yugoslav Army will not intervene again. Here is an exclusive interview recorded this afternoon by our special correspondent Pascal Guimier and Pascal Stoleta:

[Begin recording] [Mesic, in Serbo-Croat with simultaneous French translation] We have adopted a three-months moratorium; that is, a period during which the decisions concerning sovereignty will not be implemented. This means that the measures still stand but their implementation is suspended for three months. Thus we will be able to talk. For instance, Slovenia has put the border customs service under its control. We propose that this should remain its prerogative but we also propose that Slovenia should act in concert with the federal authority and that Yugoslav symbols should be retained at the borders, the Yugoslav flag as long as Slovenia is not recognized. The extremists shout loudly; they are listened to but it is not they who decide. It is still the majority which decides, particularly during elections. This happened in Slovenia and Croatia and it will happen elsewhere; that is why I remain optimistic.

[Unidentified correspondent] What do you think of the suspension of European economic aid? Does this instrument of pressure seem logical to you?

[Mesic] Logical, yes, but unjust. There should have been a selective approach—support for those who are fighting for democracy, the market economy, those who respect the rules of the game in force in civilized countries. All this discourages the others, those who want to impose their solution by force. That is why I say to you that it is unjust. [end recording]

Slovenia Seeks Strict Interpretation of Moratorium

LD0607183391 Belgrade TANJUG in English 1555 GMT 6 Jul 91

[Text] Ljubljana, July 6 (TANJUG)—Member of the Presidency of the Yugoslav Republic of Slovenia Ciril Zlobec said on Saturday that the three-month moratorium on the documents on independence, accepted in consultation with the European Community Ministers, does not call in question the document on Slovenia's independence, adopted on June 25.

Speaking at a press conference after a Presidency session, Zlobec expressed hope that different interpretations of the moratorium would be cleared up in tomorrow's talks with the ministerial troika.

These will be preceded by the Yugoslav and Slovenian sides discussing the observance of the agreement, he said.

The Slovenian Presidency members and members of the Yugoslav Presidency Vasil Tupurkovski (Macedonia) and Bogic Bogicevic (Bosnia-Herzegovina) today discussed the Yugoslav Presidency's demands for settling the conflict between the Yugoslav Army and the Slovenian Territorial Defence.

Zlobec said that the talks 'were painstaking and difficult,' 'with military or generals' threats hanging over,' because—as he put it—the demands in the form of an ultimatum were put to Slovenia but not to the Army too.

The representatives of the Slovenian and the Federal Presidency agreed that the first demand by the latter—that the situation on Slovenia's sector of the Yugoslav border should be returned to the original—cannot be discussed unless some other problems have been resolved first, said Zlobec.

He did not specify what problems he had in mind, but said that the two sides were accusing each other of truce violations and that it was necessary to extend international supervision during negotiations on the settlement of the Yugoslav crisis over the next three months.

Slovenian Foreign Minister Dimitrij Rupel said that Slovenia had nothing against the Army's control of the so-called green belt along the border in Slovenia, provided it lasted only while the truce agreement was being implemented. However, he said, a decision on this matter should be made by the Slovenian assembly.

Slovene Officials View Military Moves, Truce

AU0707173091 Ljubljana Radio Slovenia Network in Slovene 1508 GMT 7 Jul 91

[News conference by Slovene Information Minister Jelko Kacin, Slovene Defense Minister Janez Jansa, Slovene Interior Minister Igor Bavcar, and Slovene Deputy Information Minister Dusan Rogelj at Cankar Hall in Ljubljana—live; broadcast in progress]

[Excerpts] [Kacin] ...I would like to inform you that the talks in Brioni, between the delegations of the European troika, the Republic of Slovenia, Croatia, and the federation are continuing and that an official statement will be issued after the talks are completed. As of now, there are no details, but it has been agreed in principle that all four sides at this meeting will draft a joint official statement on the decisions made at the negotiations. [passage omitted]

[Jansa] Yesterday, we received a report from reliable sources on a speech by Colonel General Blagoje Adzic, chief of General Staff of the Yugoslav Army, at the High Military Schools Center in Belgrade on 5 July 1991. The chief of General Staff addressed a group of about 150 high-ranking officers of the Yugoslav Army, ranging from majors to colonels, who the military leadership intends to send to some Yugoslav Army units in Slovenia and Croatia in the future; that is, this week.

General Adzic's speech to these officers is in essence a continuation of the declaration of war. Allow me therefore to present to you the essential points of this speech. I apologize for presenting this document a day late, but we have been checking the report during the past 24 hours, and all the information or all the efforts in this direction show that it is bitterly true. [Kacin interrupts to say that an English translation of the speech will be available shortly]

In his speech, General Adzic stated that the Yugoslav Army is in a state of war, that this state of war has been imposed on the Yugoslav Army by the secessionists in Slovenia and Croatia, who have ruthlessly destroyed the foundations of Yugoslavia, the achievements of the socialist development of the Yugoslav community so far, and the interests of all the peoples of Yugoslavia.

Adzic believes that because of the dramatic and impudent moves by Slovenia, the current situation is more difficult than in 1941. Adzic further says that the multiparty system in Yugoslavia has created dissent among the Yugoslav peoples, that those bent on the total destruction of Yugoslavia have come to power, and they want to change ruthlessly the social system and introduce classic capitalism in its worst version.

Adzic further says that all the talk about dissociation, new formulas, the new Yugoslavia, and so forth, is a farce, that Yugoslavia either exists or it does not, and that there is no middle way. Adzic considers the situation serious because Macedonia and Bosnia-Hercegovina, or as he puts it, the nationalist parties in these two republics, are inclining more and more to the policy of Slovenia and Croatia.

Adzic further accused the Federal Government and Markovic of being responsible for the destruction of Yugoslavia, that (?an arrangement) with the United States and the West (?is behind it), and that this is confirmed by Markovic's statement to journalists at the 4 June news conference where he said that he was not to blame for what the Army had done in Slovenia.

Adzic says that the Army intervened in Slovenia on the basis of a decision by the Federal Executive Council, the federal government, and that precisely for this reason, because it acted, or rather intervened, on federal government instructions, it engaged too few forces in action and was defeated in the first battle. That defeat does not mean, however, that the war is lost.

Adzic further assessed the situation in Slovenia and said that the Yugoslav Army units in Slovenia had withdrawn to their garrisons where they were regrouping, reinforcing, and preparing for the next tasks. The units that were afflicted in the fighting in Slovenia need officers with the rankings of those being addressed by Adzic. He said that all these officers will immediately assume their duties in the units to which they are posted, they have no right to appeal concerning their postings, and they must consistently carry out the orders of their superiors.

These officers are expected to make their units combat ready as soon as possible and not to yield to anything. They must join their units by 2000 [1800 GMT] on 8 July 1991 at the latest. This means tomorrow at 2000.

They will be taken there by helicopter, especially in the territory of Slovenia where communications are still difficult. The traffic in our airspace today confirms that this action is under way.

Adzic further commented on the Presidency's decisions on the eight points. He said that they were prepared in the Supreme Command Headquarters and their intention was to force Slovenia to carry out all the previous decisions by the federal government and the SFRY Presidency. This means that it should capitulate completely. If Slovenia fails to do so, the military leadership will coerce the SFRY Presidency to adopt policies that will ensure this move by using force. If the Federal Presidency fails to accept this, the Army will deliver a blow with all its might regardless of the Presidency's decision, because as Adzic says: We cannot wait any longer. There is no going back. We can finish Slovenia off in 10 or 15 days. We mobilized units in Serbia and elsewhere. These units are highly motivated and ready for anything, despite the treachery that occurred during the days when the operations in Slovenia were carried out.

Adzic further commented on the criticism that the Yugoslav Army is using force. He said that this was its duty, according to the Constitution, and that the Yugoslav Army is the only force that can save Yugoslavia from disintegration and from the catastrophe of fratricidal war.

The strategic aim of all these Army actions is to force Slovenia to remain in Yugoslavia until an agreement to be dictated by the Army is reached. This is a direct quote from his speech.

[Words indistinct] politically interesting part of his speech. Adzic said that the slogan—All serbs in one state—cannot be accomplished. This, in fact, comes as a surprise, considering how his statements have been regarded so far. It cannot be accomplished because in that case, a war to the point of annihilation would begin in several places. The line adopted by the Army, however, which is to say a battle for Yugoslavia, solves this question on the basis of the principles that have applied so far.

The possibility of an agreement on the slogan—Battle for Yugoslavia—is realistic. The Serbian people can at the same time realize all their rights that have been respected so far, especially if during these talks and arrangements, the Army pursues a suitable policy. He did not explain in more detail what this policy may be, but he had indicated it earlier.

He stated that Macedonia has no chance to exist without Yugoslavia, because the Albanians and the Bulgarians would annex it very quickly. He said he discounts any secession trends in Macedonia. He believes that the situation is most grave in Bosnia-Hercegovina, that problems exist there even among the Serbian people who are enthusiastic over a Great Serbia option, but that this is unrealistic because the Serbs can realize all their ambitions within Yugoslavia.

Adzic also assesses the situation in the Army. He says that it is unstable in many places and units, that rather poor morale prevails, and that this was demonstrated in Slovenia. He says, however, that morale is being restored and that it must be restored with all the means available.

Adzic also warned the high-ranking officers about the possibility of outside intervention. He mentioned four states: Germany, Austria, Hungary, and Czechoslovakia. He said serious intentions exist in the world to set up state communities with population of some 130 million, which would present a great danger to Yugoslavia because it would mean a revival of the Greater Germany concept.

He also said that all the officers (?being) posted to units who do not support Yugoslavia and are not ready to cope with the present situation should leave the Army immediately, and that traitors must be killed on the spot without mercy and without second thoughts.

He further said to the officers that the units they will command must carry out their orders fully, even if the last man perishes in doing so, and they should remember Ljuba's Grave during the National Liberation War. This is a well-known episode in the Yugoslav National Liberation War when a partisan unit defended a certain strategic point to the last man. This legend is, of course, very much emphasized in the so-called political education in the Yugoslav Army.

He then said that the Yugoslav Army can possibly act in a way that all the peoples of Yugoslavia will feel they are in its debt, and that the Army need not necessarily have high losses, because technical superiority is on its side. He said war is not choosy about sacrifices, the losses in Slovenia were extremely small and negligible, the toll may be higher from the collision of two buses, and that (?moaning) is therefore not serious.

From now on, fear should force the opponent to capitulate. Fear is generated by using all one's might, by using firepower against all that oppose one's actions.

He also mentioned the situation in the military leadership. He said that there are no differences in the Yugoslav military leadership; that all are engaged to the maximum; that they work in a planned, organized, and collective way, and he asserts that one may trust the military leadership because there are no factions there.

He said in conclusion that all those who recently criticized it—the military leadership—saying that they would carry out the action in a better way, will have the opportunity to show this at the front in Slovenia and in Croatia.

General Adzic congratulated all the high-ranking officers on their being selected for the key tasks at a fateful time and demanded that they should use their best knowledge and abilities in the struggle for the survival of the

achievements of the socialist revolution and in the struggle for the existence of Yugoslavia.

[Kacin] Thank you, Janez. [passage omitted]

[UPI reporter in English, with superimposed Slovene translation] I have two questions. The first relates to the denunciations of you, Mr. Kacin and Mr. Jansa, by the Army. Could you tell us how you obtained these statements and orders, and how do you know whether the Army is preparing for biological and chemical warfare? The second question—I will wait until you finish. Could you tell us, Mr. Kacin, what is holding back the release of the prisoners of war? Will you try them? Can you tell us how many you have released and how many you will release?

[Jansa] Starting with January, we have conveyed to the public a number of military documents we received through intelligence sources, all of which have been shown to be authentic. I think that there was quite a number of these documents used in the course of the latest events in Slovenia, and that none of these documents was denied by the opposite party, because we have firm proof of their authenticity. In addition, the documents were unfortunately confirmed by the recent events.

The possibility of chemical weapons being used is indicated, in addition to reports from the same sources that we have, by statements by pilots who defected to our side. They told us that containers with poisons for use in war are attached to some airplanes. This is also shown in the report that Kragulj and Jastreb planes, which flew today from Cerklje airfield to Zagreb airfield, have been equipped with containers for poisons.

[Kacin] Regarding the second part of the question on how many military prisoners we have released, or rather why we have not released all of them, the answer must be the following:

First, we wanted to respect the provisions of the international laws on war to the effect that the release of prisoners is possible after a truce is concluded. We have no truce. We have no document that the other side has signed or is willing to sign, guaranteeing a prolonged period of peace. Nevertheless, as a sign of goodwill, we decided to enable soldiers, prisoners of war, to leave for their homes, and we organized this through Red Cross organizations.

I must reply, however, that because the state of Yugoslavia and the several republics have been unable to provide guarantees for the security of these released prisoners of war, a number of these prisoners were not prepared to go home, and they are still in the territory of the Republic of Slovenia.

In addition, soldiers are still running away from Yugoslav Army units, because of the situation in these units. The number of defectors from the Yugoslav Army is increasing every day. Many of them come to us with their hands up and present themselves as, or request the status of, prisoners of war.

A number of officers are still in the territory of Slovenia. Our colleague Jansa has spoken about this. The conditions for the release of prisoners of war, Yugoslav Army officers, will be met when a truce is concluded. Only then will the release of Yugoslav Army officers be possible. [passage omitted]

Parents Protest Treatment of Slovenes in Army

AU0707140391 Ljubljana Radio Slovenia Network in Slovene 1100 GMT 7 Jul 91

[Text] A committee of parents of Slovene soldiers organized a public protest meeting in Ljubljana this morning, demanding the return of Slovene soldiers from the Yugoslav Army. The parents demanded that their sons return at once from the Army units, and welcomed the release of the captured soldiers because no guilt should be attributed to those young boys. The parents' committee also demands reciprocity for the release by the Slovene side of Yugoslav personnel of the Yugoslav Army.

Matjaz Kmecelj, member of the Slovene Presidency, also spoke about the problem of Slovene men who are fulfilling their military service outside Slovenia, or rather outside the Fifth Army Region. He stressed that the Presidency of Yugoslavia must pay attention to this problem. The tremendous propaganda campaign against Slovenia is making for a dramatic deterioration of the position of soldiers from our republic. They are exposed to both mental and physical pressure, and some of them are in detention. It is the duty of the Presidency of Yugoslavia, in its capacity as the Supreme Commander of the Army, to protect these soldiers, too.

In this connection, a news conference was held at Cankar Hall in Ljubljana this morning. Janez Strgar, head of the committee, stressed that the Slovene parents first met on 20 May, because their children—soldiers—had been deployed to crisis regions, such as Plitvice, Titova Korenica, Borovo Selo, Osijek, and so forth. On that occasion they addressed an appeal to the Slovene and Yugoslav public that young men should continue to be trained for their defense tasks and should not be used and abused for police duties.

On 3 June, a respective letter was sent to Generals Kadijevic and Adzic, and it asked above all for an assurance that their children will come home alive and well. There was no reply on that occasion, and there has been no reply since.

Strgar stressed that parents have been pressing for their children to be returned in a legal way, because they consider their lives to be valuable and not just small change to be easily squandered in some parts of the country.

After the outbreak of war in Slovenia, the position of the Slovene young men serving in barracks outside Slovenia changed greatly. They are subjected to aggression; they are completely isolated in some places; some of them are in prison, and some of them are given tranquilizers with adverse health effects.

Considering that the mediation of the Yugoslav and Slovene Red Cross has been fruitless, the parents decided to ask the International Red Cross to mediate.

Three requests were drawn up at the meetings yesterday and today, and they were conveyed to the Slovene authorities who negotiate with the Yugoslav side and the European troika. The first request is that the problem of Slovene young men returning from the Yugoslav Army should have priority in the negotiations. The second request is for an immediate return of all Yugoslav young men from the Yugoslav Army, and the third request is for the release of the captured soldiers and officers of the Yugoslav Army to be reciprocated by the return of the Slovene boys.

Mesic States Slovenia 'Not Yet Sovereign'

LD0707140391 Belgrade TANJUG in English 1246 GMT 7 Jul 91

[Text] Bonn, July 7 (TANJUG)—Presidency of Yugoslavia President Stjepan Mesic stated that "Slovenes must understand that sovereignty was a process which cannot be attained by sprint."

In an interview to the German weekly, DER SPIEGEL, to appear on Monday, Mesic assessed that Slovenia "was not yet sovereign." TANJUG has obtained the text of the interview in advance.

No country recognized Slovenia, whereas Yugoslavia's internationally recognized existed, whether we liked it or not, he said.

"We must not allow now the advance of extremists with maximum demands. We must reach accord acceptable to all sides. Primarily, that Slovenia's sovereignty be recognized, but Yugoslavia's as the subject of international law," stressed Mesic. The Presidency president stated the conviction that no one in Yugoslavia wanted war, but warned that there were "Serbian, Croatian, Slovenian, Muslim and Albanian extremists," who, in his view, "failed to assert themselves thus far."

Mesic said that "those who favored peace still prevailed in the Army." He indicated that it would be exmined "later" who was responsible for the events in the past weeks, including the question "why thirty or so Army members were killed during the first days of fighting in Slovenia," but not one among Slovenia's territorial defense. The Presidency president stated that "Europe and the world would evince maximum engagement towards preventing war in Yugoslavia," because their security, too, was threatened. After a three-month moratorium "we will have a solution" "without a war", Mesic said and added that he accepted "any wager" that this would be so.

Peterle Denies FEC Charges on Prisoners

LD0707194291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1842 GMT 7 Jul 91

[Text] Ljubljana, 7 Jul (TANJUG)—Slovene Government President Lojze Peterle today sent a letter to FEC [Federal Ececutive Council] Vice President Aleksandar Mitrovic in reply to yesterday's FEC letter saying that in Slovenia prisoners of war are being treated in contravention to provisions of the Geneva convention. The FEC letter says that the prisoners are treated inhumanely, that those wounded and ill did not receive urgent medical treatment, and therefore prisoners of war allegedly went on a hunger strike.

"As an independent and sovereign state, the Republic of Slovenia, when the first Yugoslav Army members had been captured, started respecting the Geneva Convention on prisoners of war," Peterle's letter of reply stressed. At the same time the letter adds that necessary medical treatment has been provided in all assembly centers, and those prisoners of war who needed hospitalization were transferred to civil and military health institutions. Treatment of prisoners of war is under constant control of the Slovene and International Red Cross, Peterle's letter says.

"I can guarantee that all prisoners of war have been treated in accordance with provisions of the Convention, and that they even have more rights than they are entitled to according to the Convention," the Slovene prime minister stresses.

Regarding demands to release all members of the Yugoslav Army and other federal bodies, the letter mentions that on the second day following the capture, selective release of prisoners of war started, and that by today all prisoners of war—soldiers, all members of the Federal Secretariat for Internal Affairs and the Federal Customs Administration—have been released.

In his letter Peterle says that in the Dob penal and corrective institution at the moment there is only a handful of former prisoners of war who have refused to return home. In addition, there are 91 officers of the Yugoslav Army. This indicates, the letter stresses, that the claims about inhumane treatment of the prisoners of war are untrue; this, however, cannot be said for the prisoners captured by the Yugoslav Army. According to information available to the Slovene government, the officers and soldiers of Slovene, Croatian, and other nationalities are being kept in impossible conditions.

In his reply Peterle draws attention to the Slovene servicemen in the Yugoslav Army units stationed throughout Yugoslavia who, the letter says, are under

strict control and are threatened with arms in case they decide to leave their units. In many cases they are kept in isolation.

"The Republic of Slovenia will release the remaining YPA [Yugoslav People's Army] officers and prisoners of war in accordance with the principle of reciprocity, i.e. in exchange for the Slovene soldiers still in the YPA units", Peterle says in concluding his letter to the vice president of the Federal Executive Council.

Talks Proposed on Status of Slovenes in Army

AU0707122291 Ljubljana Radio Slovenia Network in Slovene 1000 GMT 7 Jul 91

[Text] Matjaz Kmecelj, member of the Presidency of the Republic of Slovenia, sent a letter to the SFRY Presidency yesterday. In the letter, the Slovene leadership stresses that the seven points of the SFRY Presidency decision refer to most varied questions, but the decision does not mention the security of the Slovene soldiers serving their regular service in the Yugoslav Army.

Regardless of the nature of the decision we note that the tremendous propaganda campaign against the republic of Slovenia and all the other circumstances are making for a dramatic deterioration of their position. Hour by hour, alarming warnings about moral and physical oppression are becoming more and more numerous. According to our information, a large number of them have been put into military prisons.

With the SFRY Presidency, we probably share the view that none of the existing problems can be solved at the expense of these young men, and that this is at the same time an integral part of the present Yugoslav problem. We therefore believe that it is the duty of the SFRY Presidency, in its capacity as the supreme commander, to protect their lives and their basic human dignity.

Considering the changed status of the soldiers who are citizens of Slovenia caused by the proclamation of independence of the republic of Slovenia, we propose immediate specific talks on their release from the Yugoslav Army, the letter which Matjaz Kmecelj, member of the Presidency of the Republic of Slovenia, sent to the SFRY Presidency says.

Defense Minister Says Army Controls Government

AU0707153491 Vienna Oesterreich Eins Radio Network in German 1500 GMT 7 Jul 91

[Hans Benedict report from Ljubljana on an interview with Slovene Defense Minister Janez Jansa in Ljubljana on 7 July]

[Text] Defense Minister Janez Jansa is a strategical scientist, a very sober analyst, with an excellent intelligence service. He knows how the opponent must be assessed. Here are his statements:

There are no guarantees of safety for Slovenia, neither political nor military, and this is the biggest problem, because the Yugoslav Army is doing what it wants in Yugoslavia. It is absolutely clear that the government is in the hands of the Army, and it is completely powerless against the Army. Thus, if we had guarantees here in Slovenia, Jansa says, everything would be far easier. But one probably has to get international guarantees for the planned three-month break for negotiations. Because if fighting breaks out again, Jansa says, we must turn to the international community and ask for intervention.

One hour ago Jansa received information from Belgrade that Blagoje Adzic, chief of general staff of the Yugoslav Army, issued an order of the day to the officers' corps, stating that the Army will check, approve, or reject all government decisions. This is what happened on 4 June, Jansa said. The government decisions at that time actually were decisions made by the Army.

The Army leadership not only wants to prevent our independence as Slovenia, Jansa says, it wants to force Slovenia back to the old communist course. Today Slovenia is in greater danger than before the conflict. I quote, if they attack us now, they will attack us with all means, unquote.

Military Says Slovenes Not Returning to Bases

LD0807133191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1047 GMT 8 Jul 91

[Text] Zagreb, 8 Jul (TANJUG)—The information service of the Fifth Military District stated today that the leadership of the Republic of Slovenia is still refusing to fulfill the key commitments of the SFRY Presidency decisions. Among other things, it is stated, units of the Territorial Defense and other Slovenian armed forces have not withdrawn to their peacetime bases.

Last night, the Army warehouses in Rakek were surrounded by a large group of members of Slovenia's armed formations. Soldiers on guard succeeded in disarming and detaining, on the premises, a member of the Cerknica Territorial Defense, Mirko Matincic, who was wearing a Yugoslav People's Army uniform and was carrying bombs and other arms, the statement of the information service of the Fifth Military District concluded.

Croatia

Croatian Party Head on Situation

AU0307110891 Budapest NEPSZABADSAG in Hungarian 1 Jul 91 p 3

[Interview with Ante Beljo, general secretary of the Croatian Democratic Association, by Oszkar Fuzes; place and date not given: "Persuasion Does Not Help Against Divorce"]

[Text] [Beljo] The actions of the Federal Army against Slovenia are completely illegal and these actions are practically serving Serbian selfish interests. These actions represent aggressive steps toward occupation of a sovereign country. Given the fact that 80 percent of the officers of the Federal Army are Serbs and Montenegrins, they naturally fulfill the illegal orders of people who did not allow the constitutional election of a chief commander.

[Fuzes] What is the difference between "separation" and "secession"?

[Beljo] The term "separation" used by the Croatians and Slovenians is a peaceful and controlled process that is directed against no one. This is not the baseless secession of which Belgrade is accusing us.

[Fuzes] In your view, what are the chances of a Slovenian-Croatian confederation? What will happen to the "rest" of Yugoslavia?

[Beljo] This is the internal affair of the other republics. There are many Croatians living in Bosnia and it is possible that these areas would join us, and the areas inhabited by Serbs would join Serbia. Macedonia is also afraid of Serbian nationalism and is for a loose federation of sovereign states.

[Fuzes] How would the Croatian-Slovenian relations develop?

[Beljo] If everyone lives in his own sovereign state, why would they not be able to usefully cooperate with each other? We also propose this to Serbia. In addition, I hope that the people in Serbia will soon lose faith with the big Serbian nationalist desires that are not good for the Serbs either. We will gladly cooperate with a democratic Serbia. We are for a Scandinavization of Yugoslavia, and even of the whole Balkans, to form a free democratic federation, like Finland, Sweden, Norway, and Denmark. This is possible if all of us are naturally independent.

[Fuzes] What is your opinion about the fact that the United States and Western Europe do not recognize the independent Slovenia and Croatia?

[Beljo] The big powers also wanted to maintain the integrity of the former Austrian-Hungarian Monarchy. Big powers generally prefer the status quo, even if preserving it is contrary to human rights, the right for self-determination, and the principles of Western democracy and civilization. This is useless, just like the attempts of friends to persuade a couple not to divorce. Sooner or later, one should accept reality.

Press Views Croatian Government Changes

LD0407124291 Belgrade TANJUG in English 1139 GMT 4 Jul 91

[Text] Belgrade, July 4 (TANJUG)—The Belgrade daily BORBA on Thursday interprets the changes in the government of Croatia in the light of great certainty of an escalation of war in that republic. Croatian Defence Minister Martin Spegelj, a retired general, was replaced on Tuesday by Republican Parliament Deputy Sime Djodan and Interior Minister Josip Boljkovac by Onesin Cvitan, the mayor of Split.

BORBA writes that Djodan is 'known as a person who symbolizes firmness, resolve, even fanaticism that Croatia's independence be defended' and as a 'strong advocate of Croatian independence,' and 'personifies readiness to respond with war in the event of increasingly certain need.'

BORBA considers Spegelj's appointment to the post of commander of the Croatian National Guard as 'useful' since he is a 'professional soldier, well versed in military strategies and tactics' and 'knows his opponent—the Yugoslav People's Army—very well.'

Boljkovac's replacement 'is almost no surprise at all since the ultra-right wing of the Croatian Democratic Union (CDU) has sharply criticized him for his soft stand towards Serbian extremism' in Croatia, BORBA says.

BORBA sees Cvitan's appointment as 'the biggest surprise' and expresses doubt that with his arrival 'the Croatian Police has got a leader capable of introducing real professionalism, free of both ideology and politics, into the ministry.' The daily recalls that Cvitan had 'replaced his membership in the League of Communists with membership in the CDU only in last year's first multi-party elections in Croatia.'

The daily ZAPAD, published in the Croatian capital Zagreb, writes today that the 'replacement of the two ministers was not expected at this very moment.'

ZAPAD recalls that Spegelj had 'formed the Croatian Army well for the most part and efficiently in the military sense' and that the Croatian National Guard came into being under him.

The daily says circles close to Croatian President Franjo Tudjman assure that the only reason for Spegelj's replacement is that he is a diabetic and the sugar count in his blood has gone up markedly.

Boljkovac, a 'career policeman,' was 'exposed to severe criticism from the ranks of the opposition and his party, the CDU, due to a series of major oversights and mistakes,' ZAPAD recalls. 'The surprise is that Boljkovac was succeeded by Cvitan, who has had no connections with the police until now,' ZAPAD says.

Serbian Refugees Continue To Cross Into Croatia

LD0507135691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1218 GMT 5 Jul 91

[Text] Vajska, 5 July (TANJUG)—By 1300 [1100 GMT] today 44 people, mainly women and children, including an eight-month old baby, had arrived at a reception

center in Vajska. They had taken a ferry across the Danube. According to the refugees, the situation in Borovo Selo last night was very tense. Heavy shooting was heard throughout the night in the immediate vicinity, and in Borovo Naselje. The refugees from Croatia also confirmed that several large missiles fell on Borovo Selo last night. The remaining village population is very anxious because there are rumors that numerous forces of the Croatian Ministry of Internal Affairs, guards, and armed members of Croatian Democratic Community are concentrating around the area, the refugees claim.

In the last two months over 3,000 Serbs, mainly women and children and elderly people, have crossed the Danube into Vajska, the reception center for refugees from Croatia. Together with those who are arriving through Sid, approximately 5,300 refugees had arrived in Vojvodina by yesterday, the headquarters for the reception center announced.

Buffer Zone Formed Following Serb-Croat Clash

LD0507170691 Belgrade TANJUG in English 1559 GMT 5 Jul 91

[Text] Zagreb, July 5 (TANJUG)—Units of the Yugoslav People's Army last night set up a buffer zone between the town of Vukovar and the nearby village of Borovo Selo in the Yugoslav Republic of Croatia, where the Croatian guard and police yesterday clashed with the local Serbian population. Borovo Selo is situated in Slavonia, a region in eastern Croatia with a mixed Serbo-Croat population. A by-stander was killed in the 12-hour clash and a village resident has been declared missing.

The two sides accuse each other of provoking the conflict. The Vukovar municipal defence secretariat says that light and heavy infantry weapons and rocket launchers were used in the clash. Local police have detained ten persons suspected of "involvement in an armed rebellion".

Forty-four refugees from Croatia were this morning ferried across the Danube, which divides the two republics, to a reception centre at Vajska in Serbia. The refugees, the majority of them from Borovo Selo, claim that rumours are circulating in the village about an impending attack by the Croatian guard and police.

Over 3,000 Serbs from Croatia, mostly women and children, have passed through the Vajska reception centre during the past three months. Another 2,300 refugees have arrived by road, the centre said.

The railway and air services between Zagreb and Belgrade were restored this morning. However, bus services between Serbia and Croatia are sporadic. According to a statement by the chief transport inspector of Serbia's northern province of Vojvodina, passenger traffic has been completely suspended on several lines between Vojvodina and Croatia.

Mesic: 'No Conflict Between' Serbs, Croats

LD0607202891 Belgrade TANJUG in English 1933 GMT 6 Jul 91

[Text] Zagreb, July 6 (TANJUG)—President of the Yugoslav Presidency Stipe Mesic said today 'There is no conflict between the Serbs and the Croats' in the Yugoslav Republic of Croatia.

Asked at a news conference in the Croatian capital Zagreb if the fears voiced by some Serbs in Croatia that a major bloodbath could ensue after the Army pulls out were justified, Mesic said it was armed units infiltrated from outside that the Croatian authorities were facing. 'Various militant groups and individuals are joining these gangs of outlaws,' he said.

Mesic said he believed blood would not start flowing when the Army left, but that the 'gangs will flee whence they came with their tails between their legs.'

Commenting on the accord on a three-month moratorium on Slovenia's and Croatia's decisions to secede from Yugoslavia, Mesic said it had been agreed to 'place a moratorium on the implementation of the decisions and not on the decisions themselves.'

'Given that Slovenia has decided to take control of customs posts' on the borders with Italy and Austria, 'there exists a possibility that a compromise solution could be found,' he said.

He said Slovenia could perform these services for Yugoslavia precisely because it was sovereign.

Agreement on this can be expected tomorrow, said Mesic.

Krajina Interior Minister: Police 'Well Armed'

LD0707115191 Belgrade TANJUG in English 1024 GMT 7 Jul 91

[Text] Belgrade, July 7 (TANJUG)—Milan Martic, who commands police of the so-called Serbian Autonomous Region Krajina (SAO Krajina) in Croatia, says his men were the only Serbian armed formation in Yugoslavia, that they were well armed and capable of defending the Serbian ethnic areas there.

Martic, promoted to interior minister of SAO Krajina, which the Croatian authorities do not recognize, spoke of the successes of his units in an interview published by the Belgrade daily POLITIKA on Sunday.

The situation in which Krajina police act in the recent months has improved considerably, said Martic. "By acquiring modern and heavier weaponry our armed action was markedly broadened. Apart from the infantry and artillery units, the forming of airborne forces was underway," he said and noted that a certain number of assault helicopters were already prepared for action.

As regards the aid to Krajina police, Martic said that the "most significant aid came from the government of Serbia, in nearly all forms," and that relations with the Yugoslav People's Army were "very correct" and that coordination with it "already existed". It turned out that "we and the Yugoslav People's Army have a common enemy," he stressed.

Martic confirmed the rumours that the chief instructor of his forces was a "superb professional, with experience gained on many battlefronts in Africa and the Middle East," who said "he had never meet with so much success" and that he was impressed by the Krajina young men.

Commenting on the appointment of Sime Djodan as new defense minister of the Republic of Croatia, Martic said that "this choice was the expression of extreme impotence of the Croatian political leadership," because Djodan "apart from hate towards Serbs, has no other qualities."

Also, Martic confirmed the rumours that many Croatian policemen and "National Guards" were in the Knin prison.

Milan Martic, the Krajina police commander, said in another interview to the Titograd daily POBJEDA that the armed group under his command and the Army "are assisting each other."

Martic added that the Army and the Krajina police would together fend off attacks on them in Croatia if necessary.

The hardware, arms and equipment of the Army and the Krajina police "become common at a given time" because we know who our common enemy is, said Martic.

Martic pointed at the current Croatian authorities as their common enemy, describing them as an "Ustasha state," which "does not wish well either to us or the Yugoslav Army."

The Ustashas were in power during World War II in the so-called independent state of Croatia, which was a puppet state and a fascist creation.

Tudjman Adviser Gives 60:40 Odds for Peace

AU0807092791 Vienna PROFIL in German 8 Jul 91 pp 42-43

[Interview with Mario Nobilo, adviser of Croatia's President Franjo Tudjman by Rudolf Gruber in Zagreb; date not given: "60:40 for Peace"]

[Text] [Gruber] Mr. Nobilo, the Army has been deployed along your border. How has Croatia prepared itself for an attack?

[Nobilo] Our defense consists of two units of the National Guard, the police, and the reservists. This amounts a total of 70,000 armed men. In addition, the unarmed civil defense force comprises 900,000 men. In contrast to the soldiers of the Yugoslav People's Army, our people are highly motivated.

[Gruber] How big is the danger that the Army will attack Croatia?

[Nobilo] It was easier for the Army to intervene in Slovenia because Slovenia is smaller. Croatia is heavier stuff. The Army would suffocate if it tried to swallow us. Our readiness to fight is at least as high as that of the Slovenes. An attack on our country would turn into a long and difficult operation. We believe that we might even win the battle, because the non-Serbia soldiers would not fight against us.

[Gruber] However, the units at your border consist only of Serbs.

[Nobilo] The structural weakness of the Army, which became apparent in Slovenia, still exists. The Army cannot win a prolonged battle. In addition, it cannot rely on support among the civilian population. This became obvious in Slovenia. In Croatia, the troops would also go without water and food for days, because all supply routes would be cut off. Thus, we would have guerrilla war conditions.

[Gruber] Do you consider it possible that the Army might destroy your defense and cause serious damage with heavy weapons and massive bomb attacks?

[Nobilo] We simply do not believe that they will bombard towns like Zagreb or Ljubljana.

[Gruber] But the Army would be strong enough to occupy large parts of Croatia. In this way, they might establish the borders of greater Serbia.

[Nobilo] Serbia is not strong enough to build a greater Serbia. How would they control the peoples—the Albanians, the Croats, the Hungarians, the Macedonians, and the Muslims? These peoples are all ready to fight.

[Gruber] Do you expect a longer siege by the Army?

[Nobilo] Not necessarily. The internationalization of the Yugoslav crisis is our biggest trump. At the moment the chances for peace are 60:40, despite the fact that the situation seemed very dangerous at first.

[Gruber] Is there a chance that the Croat Mesic will ever be recognized as commander in chief by the Serb-dominated general staff?

[Nobilo] This is the main question. The Army must again be placed under political control. If this does not happen, Mesic will address the UN Security Council.

[Gruber] Has the internationalization of the Yugoslav crisis not come too late?

[Nobilo] No, why? It is never too late. As a matter of fact, Europe and the United States pursued a false policy for

a long time, but changes are becoming discernible now and we welcome them very much.

Daily: Presidency Serves To 'Trick Opponent'

LD0607122791 Belgrade TANJUG in English 1148 GMT 6 Jun 91

[Text] Zagreb, July 6 (TANJUG)—Zagreb daily VECERNJI LIST on Saturday assesses that Slovenia and Croatia would perhaps now have already become independent states recognized by the major Western countries if only the war in Slovenia had lasted another day or two.

Those Western countries which wanted to, the papers says, could have had the legitimate reason to send military aid and everything would have ended either in an agreement or an escalation of the war.

"Thus, Slovenia was resisting a new wave of federal pressure, Croatia was trying to figure out what the Army was preparing for it in Slavonija, while the ressurected Federal Prime Minister Markovic at last confirmed one evident thing. He ackowledged that the Army commanded the Army, and everything else in connection with the Federal Government, the Presidency and the like served only to trick the opponent," VECERNJI LIST assesses.

According to the paper, Europe has nevertheless engaged itself and at the time the extreme escalation of the crisis was on the verge of recognizing Slovenia and Croatia. "At least Germany and Austria, traditionally tied with the Austro-Hungarian part of what is today Yugoslavia, were; while France, a long-standing friend in interest of Serbia, continued in opposition."

Now, the paper writes, if Belgrade—through the Presidency—pacified Slovenia, and Croatia continued a hostage to Chetnik threats and its own weaknesses, the recognition would again be passed up and would hardly again be close at hand.

"Unless, the paper says, the Army continued with onsloughts. Should the Yugoslav People's Army be asked to continue working on the recognition of Slovenia's and Croatia's independence," writes VECERNJI LIST.

Croatian Ministry To Begin Arresting 'Terrorists'

LD0607133991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1238 GMT 6 Jul 91

[Text] Zagreb, 6 Jul (TANJUG)—Milan Brezak, assistant of the Croatian Interior Ministry (MUP), told domestic and foreign journalists in the Croatian Assembly today that "the Croatian MUP's plan for establishing peace and order in hotbeds of crisis will no longer be postponed."

"Plans for arresting the leading terrorists in the Republic of Croatia will also be postponed no longer, because all political conditions have been created in the republic for efficient and professional action of the MUP aimed at settling the score with terrorism," announced Brezak.

Brezak said: "On the behalf of the Ministry I wish to warn loyal citizens of the Serbian nationality not to respond to the activities of the terrorists." Brezak also said that the ministry would give citizens full protection, "because, if they take the side of the outlaws they could never ever return to their homes."

Presenting the statistics of the MUP, Brezak said that the truce was temporary and that "a new storm was on the way." He said that "members of the Army were distributing arms and camouflaged clothes to the people and supervising their training on the territory of Udbina." Brezak claimed that 30 aircraft landed at the Army airport in Udbina.

"It is still true that some Army officials and some units are obviously independently carrying out their activities which correspond to terrorism and terrorist actions in the Republic of Croatia [koje korespondiraju sa terrizmom i njihovim akcijama u republici hrvartsko]," said Brezak in conclusion.

Osijek Official Appeals for Removal of Chetniks

LD0507173891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1607 GMT 5 Jul 91

[Text] Osijek, 5 Jul (TANJUG)—The municipal secretary for the national defense of Osijek, Branimir Glavas, has read an appeal on Croatian radio to citizens, especially Serbs, in some Osijek villages "to eliminate from their ranks the Chetniks who have arrived."

Glavas's radio appeal sounded like an announcement of possible serious armed conflicts in this region, especially in the villages with the largest concentration of the Serbian population. The appeal which Glavas read states, among other things:

"I am sending an appeal to all loyal citizens of the Republic of Croatia, especially members of the Serbian nation, to demonstrate a high degree of civilian awareness and help bring peace at last to our region, in these moments crucial for our joint homeland. Determined in our intention to establish peace in our region, we are appealing to the inhabitants of Bijelo Brdo, Tenja, Silas, Dalj, Palaca and other hotbeds of crisis, to prevent in every possible way the criminal raids of Chetniks, whose activity has brought restlessness into your homes.

Given that legitimate and legal organs of the Republic of Croatia—Interior Ministry and the National Guard—will no longer tolerate the presence of Chetnik hordes, and with the aim of preserving the lives of the innocent, we are appealing to you to eliminate the Chetnik extremists in your villages yourself.

In order to avoid unnecessary victims, we are appealing to you to peacefully, and in an organized manner, go to safe places. For all those needing accommodation a special center has been set up in Osijek by the Red Cross.

Citizens of all nationalities, especially members of the Serbian nation: we are guaranteeing full security and giving you assurances of our sincerest intentions to establish legal order and peaceful coexistence in our region, it is stated, among other things, in the appeal.

Shooting Heard in Vukovar; 'Undeclared Curfew'

LD0707183691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1625 GMT 7 Jul 91

[Text] Vukovar, 7 Jul (TANJUG)—When it was expected that this weekend would pass without any large-scale incidents along the hot line between Borovo Naselje and Borovo Selo in the Municipality of Vukovar, light and heavy weapons were heard in action this afternoon. The shooting was in both directions and the sound of several grenades could also be heard.

A military aircraft swept over Borovo Naselje several times at about 1500 [1300 GMT]. The exchange of fire between members of the Ministry of Internal Affairs, the National Guard, and members of reserve formations of Croatia and the inhabitants of Borovo Selo has been going on, with short interruptions, for almost three months.

The Croatian authorities believe that Borovo Selo is a hideout for, it is said, terrorist groups from outside which should be destroyed. The inhabitants of Borovo Selo nevertheless stress that they will stay to the end in defense of their own homes, resolutely denying that among them there are individuals from outside. Borovo Selo which is inhabited mainly by Serbs, has been completely cut off from the world for almost a month.

According to reliable information, recently more than 1,000 members of various branches of Croatian armed formations took part in an action to clear the ground in Borovo Naselje, near Borovo Selo.

At the moment there is no information as to the consequences of this afternoon's exchange of fire. The movement of all citizens is restricted in the municipality of Vukovar. People move about along the roads only at their own risk. An undeclared curfew is in force—from dusk the street of Vukovar are empty.

Djodan Appeals For Calm; Army Split Noted

LD0707155691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1506 GMT 7 Jul 91

[Text] Osijek, 7 Jul (TANJUG)—Croatian Defense Minister Sime Djodan addressed citizens of Osijek at about 1600 [1400 GMT] today on Radio Osijek in connection with today's armed conficts and other events near the village of Tenja, not far from Osijek.

Djodan told citizens of the town and the whole population of the municipality above all to be patient and calm "because Chetnik enemies and Greater Serbs want, by these provocations, to hamper the negotiations which have just begun in Brioni, which are being conducted by Franjo Tudjman, president of the republic; Stipe Mesic, president of the Presidency; the European delegation; and Slovenes and federal organs."

"The Chetnik enemies wish to rapidly provoke large-scale armed conflicts so that they might prove to the world public that the Croats are to blame for the disturbances. Hence I ask you to be calm and go to your homes, while the organs of order, the police, the National Guard, and the Reserve Guard must be in a state of strict readiness and block all the roads being used by the Chetnik enemies," Djodan said.

Dr. Sime Djodan stressed on Radio Osijek, as defense minister, that it is particularly important that major conflicts are not provoked between the people and the Army.

In reply to the observation of a Radio Osijek reporter that the Army is siding with the terrorists, Sime Djodan said: "We know this. This is being done by individual commanders because there is a split in the military leadership between Kadijevic and Adzic."

Serbia

Slobodan Milosevic Addresses Serbian Public

AU0607153291 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 6 Jul 91

[Statement by Serbian President Slobodan Milosevic "for Radio Television Belgrade"; place and date not given—recorded]

[Text] The difficult days we are experiencing threaten war that could be worse than what is now being waged on the territory of one part of Yugoslavia. I am therefore addressing the citizens of Serbia primarily to say that everyone be prepared to defend their country. Serbia cannot protect itself from the war that it could be subjected to if it is not ready and if it is lulled into thinking that it cannot happen.

Its readiness should now be expressed first in the framework of the Yugoslav People's Army [YPA] and, second, in the framework of its own armed forces, which are made up of the units of the Territorial Defense of Serbia that have been trained to take upon themselves at any time the defense tasks of the Republic of Serbia. The Territorial Defense Forces of Serbia have been furnished with modern equipment and in their number and the level of training of their personnel, they are overwhelmingly superior to similar forces outside Serbia, including their so-called paramilitary formations.

The citizens of Serbia should know this and count on this. In this respect, I must repeat what I have said several times and what I will repeat in these difficult moments, too: Serbia thinks that all disputes can be resolved in a peaceful way. We think that even the most serious dispute over the secession of peoples and republics can also be conducted in a peaceful way.

I am convinced that Yugoslavia can successfully develop—and even more successfully so—without those who have decided to leave it. Yugoslavia should be preserved within new frameworks, exclusively on the basis of the will of the peoples and respect for their right to self-determination. Under the present circumstances, it should be primarily the YPA with the support of all political institutions and forces of peace in the country that should ensure this.

Yugoslavia can be a happy country only if the people who live in it want to do so. Precisely because of this, considering the present threat of war that is hanging over our country, I think that the YPA should be situated on the territories inhabited by the peoples that have committed themselves to living together in Yugoslavia in peace.

Those who do not want to remain in Yugoslavia and who consider the Army to be an occupying one should worry about their own defense and security in the future themselves. We can say to them in advance that we will not threaten their security because throughout the whole of its history the Serbian people have never waged wars of conquest but have always fought and won, fighting for their freedom.

Therefore, all those who have in mind violence against the Serbian people should in their own interest respect our desire for peace. Therefore, despite the war that has begun, we advocate even now the establishment of peace and freedom. No one wants their children to die. We do not want our own or other people's children to die, and therefore we are striving for peace both in Serbia and outside.

This effort of ours is above all others. This is our best and most dominant effort. However, for us to preserve peace for tomorrow and today, too, it is essential that we are ready to defend it, no matter where the interests and the peaceful life of Serbia and its citizens, and the Serbian people, are threatened nor by whom.

Therefore, I am appealing to all citizens of Serbia to be ready to defend peace, and particularly to protect themselves well from the abuse of different interpretations of the interests of Serbia and the Serbian people by those who want to use the difficult situation and even the pain and worry of families and parents to win points for their political affirmation and party prestige.

Only the state will decide on defense, organization, and all decisions that concern defense; no other groups or parties will decide. This must be the firm rule that will be respected by all citizens. The state will not tolerate any exception when the defense of Serbia and the Serbian people is in question.

We must act decisively but calmly and without panic. There is no reason for panic, nor is panic a good ally. We are not afraid of the struggle, but we will wage only the one that is in the interest of the people and the fatherland. Before we are forced to wage a struggle, we will strive for peace and do everything for ours to be preserved.

Democratic Party Criticizes Serbian Leadership

LD0607154891 Belgrade TANJUG in English 1412 GMT 06 Jul 91

[Text] Belgrade, July 6 (TANJUG)—The Democratic Party, one of the most influential opposition parties in Serbia, on Saturday called for forming a "government of democratic unity" in this Yugoslav Republic.

Calling for unity of the Serbian people, the party leadership pointed out in a statement that "this unity cannot be based on the policy of the present Serbian leadership, which has proved unsuccessful on countless occasions."

The Democrats assessed that support to that policy would result in "a rapid decline of Serbia, as well as the weakening of the Serbian people's position in Yugoslavia and prestige in the international community."

They accused "the Serbian regime" of having "failed to build a serious national strategy, or a kind of programme."

The Democrats appealed to "all political factors" in Serbia to "join hands in an effort for reaching a just and democratic solution for the Serbian people, as well as for the other peoples who live With serbs, in their common interest and without imposing anybody's will on the others."

The Democratic Party asked the Yugoslav Presidency to secure conditions for a peaceful, legal and agreed settlement of the Yugoslav crisis.

Serbian Refugees From Croatia Increasing

LD0707114291 Belgrade TANJUG in English 1122 GMT 7 Jul 91

[Text] Belgrade, July 7 (TANJUG)—Every day, the number of Serbian refugees from Croatia is increasing but the world knows little or nothing at all about them, the Belgrade daily POLITIKA writes on Sunday.

The daily carries the views of Misa Milosevic, general secretary of the World Serbian Community, seated in Geneva, on the issue.

According to Milosevic, the making light of the fact about the thousands of Serbian refugees from Croatia shows that Serbia is unaccustomed to using the legal possibilities provided by international conventions, but even more the inertia of the competent federal organs towards this, for the Serbian people, extremely important question.

Therefore, Milosevic added, Serbia should do everything for the world to finally understand the truth—that the

Serbian people, although the most numerous, are the most threatened in Yugoslavia.

Increasing Nervousness Reported in Kosovo

AU0807065191 Vienna Oesterreich Eins Radio Network in German 0500 GMT 8 Jul 91

[Text] [Announcer] The crisis is Yugoslavia is now also increasing the nervousness in neighboring Albania. Since Friday [5 July], the Albanian Army has been on the alert. The Albanian head of government has accused the Serbs in the neighboring country, Yugoslavia, of planning a genocide of the Albanian majority in the formerly autonomous province of Kosovo. Walter Erdelitsch reports from Pristina:

[Erdelitsch] In the province of Kosovo, which is under coercive Serbian administration and in which the Albanians make up nine-tenths of the population, the situation is calm. However, the nervousness of both population groups can be clearly felt.

Belgrade rules in Kosovo with the help of a special police unit, which ensures the preponderance of the 200,000 resident Serbs over the almost 2 million Kosovo Albanians. The Serbian uniforms are everywhere. Road checks are carried out throughout the whole of the province. The police stop cars and search the Kosovo Albanians for weapons.

Since the outbreak of the conflicts in Slovenia and Croatia, the Yugoslav Federal Army has massively increased its units in Kosovo. A major number of Serbian reservists have been drafted and armed. Kosovo Albanians report again and again that civilians are also equipped with firearms and that Serbian paramilitary units are being organized.

Over the weekend [6-7 July] men in civilian clothes with Kalashnikovs were seen along one of the main roads in Kosovo. However, it is not clear whether they were policemen, army members, or civilians.

At any rate, however, large-scale firing exercises were observed at the range belonging to the barracks outside the picturesque town of Prizren at the weekend.

Albanian Prime Minister Bufi warned in Tirana that the Serbian minority in Kosovo has armed itself and he talked of an imminent genocide of the Kosovo Albanians. As early as last Friday, the Albanian Armed Forces were put on the alert on the border with Yugoslavia.

Meanwhile, prominent political representatives of the Kosovo Albanians have indicated that it is already too late for an armed conflict to be confined only to Serbia and Kosovo. In the event of a conflict, they definitely reckon with intervention by Albania. However, the Kosovo Albanians are still staking everything on the political card. They hope to achieve Kosovo's independence peacefully in the course of the reorganization of Yugoslavia with the help of the other European states.

Serbs 'Stuck' Between Federal, Republic Forces

LD0607123291 Belgrade TANJUG in English 1050 GMT 6 Jun 91

[Text] Belgrade, July 6 (TANJUG)—The Belgrade daily POLITIKA today writes that over three million Serbs outside Serbia must not be the stake in and the victims of the preservation of Yugoslavia, nor left to violence.

According to the daily, after the six-day war between Slovenian territorial defence units and the Yugoslav Army, the Serbian people has found itself "stuck between the impotence of Federal institutions and the aggressivness of the secessionist-indoctrinated majority populations in the sovereign republics of Slovenia and Croatia".

The paper points out that fear and anxiety of Serbs outside Serbia were now greater for two reassns. On the one hand, because the creators of the policy of a "new exodus" in Croatia have begun on a large scale amassing special units and police, in preparation for an attack on areas where Serbs are the majority population, and on the other, because the cult of the Yugoslav People's Army—as the omnipotent force and guarantor of the Yugoslavia's defence—has been shaken in the war with Slovenia.

POLITIKA writes that the political strategists in Croatia have intensified intimidation of the Serbian people with the intention of showing the world that the army was violating human rights with the first move it made.

Recalling that a similar scenario was recently applied in Slovenia, POLITIKA says that the last remaining question is whether the Serbs will be protected by the Federal state or by Serbia.

Serbia 'Should' Recognize Independent Slovenia

LD0507105691 Belgrade TANJUG in English 0923 GMT 5 Jul 91

[Text] Belgrade, July 5 (TANJUG)—Branko Mihailovic-Mihiz, a prominent Serbian intellectual close to the opposition circles, said in an article in the Belgrade weekly NIN that the Republic of Serbia should be the first to recognize the independence of Slovenia.

Mihailovic's 'ten-point proposal for consideration' says that Serbia should immediately form a government of national salvation which would 'remove all ideological symbols', call new multi-party elections and clearly show the world that Serbia is not a bolshevik state.

He also suggests that Serbia announce it will recognize the legitimity of the independent Croatian state when Croatia recognizes to the Serbian people, in territories where they have been living for centuries, the right to decide about their future.

The 'ten-point proposal for consideration' also sets out the possibility of recognizing the independence of the

Republic of Macedonia and an offer to Montenegro that Montenegrins and Serbs decide to live together in a common state.

Mihailovic proposes that Serbia announce it will respect the decisions of Moslems, Serbs and Croats in Bosnia-Hercegovina if they opt for an independent republic, but also that it will accept the decisions of Serbs and Croats if they decide that territories they live in be annexed to Serbia and Croatia.

FRG, Austria Want 'To Crush' Country

LD0407114191 Hamburg DPA in German 0911 GMT 4 Jul 91

[Text] Belgrade (DPA)—The Yugoslavian Republic of Serbia accuses the Federal Republic of wanting to crush Yugoslavia in order to establish a Europe dominated by the Germans. Belgrade professor of law, Budimir Kosutic, who is the mouthpiece of Serbia's president, Slobodan Milosevic, maintains this in today's widely sold Serbian newspaper POLITIKA EKSPRE. Similar accusations were made on Wednesday evening on state-controlled Belgrade television. "The Bloody Plan" is how the POLITIKA EKSPRE entitled its sensational report, splashed across the front page.

The report says that it is the aim of the Germans to establish "a new European architecture, in whose center the reunified Germany stands." A development like this reduces the significance of the European Community and the CSCE." "Countries which were also allies of the fascist Germany in the second world war will then gather around Germany," the professor of law explained regarding the alleged German strategy.

"Among the first countries which have to be destroyed is Yugoslavia. The decisive strike is directed against the Serbian people", Kosutic went on to explain. "The spirit of national socialism and extreme nationalism in Germany and Austria are seriously increasing." "Their allies in Slovenia and Croatia are trying not to fall behind this development," says the POLITIKA EKSPRES says.

Even VECERNJE NOVOSTI, the Serbian newspaper with the highest circulation, which is based in Belgrade, agrees with this point of view. "Germany has always striven to expand toward the East, even to the south and the southeast", reads the leading article in this newspaper. "Austria and Germany are trying in one way or another to reach the ports and the coast of the Adriatic.

Rugovoa Views Outlook for Ethnic Albanians

LD0507133191 Belgrade TANJUG in English 1207 GMT 5 Jul 91

[Text] Pristina, July 5 (TANJUG)—"If Slovenes and Croats leave Yugoslavia then Albanians have nothing to look for in the remainder of Yugoslavia," President of the Democratic Alliance of the Kosovo Province (Yugoslav Republic of Serbia) Ibrahim Rugova told newsmen on Friday.

If Yugoslavia survived in the future, he said, as an alliance of states or a confederation, we would stay in Yugoslavia, but as part of this state.

Rugova said that "Slovenia gave a lesson to the federal and military top and grounded the Army."

He complained that the federal organs and Federal Prime Minister Ante Markovic excluded ethnic Albanians from all talks on the future of Yugoslavia, but stated "gratitude to the Austrian Foreign Minister Alois Mock for his stand on Kosovo."

Ethnic Albanians in Yugoslavia enjoy the status of national minority and make up 90 percent of the population of Serbia's Kosovo Province.

Macedonia

Tupurkovski Statement After Presidency Meeting

LD0607155191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1333 GMT 6 Jul 91

[Text] Ljubljana, 6 Jul (TANJUG)—"I am familiar with the stand in Slovenia that the SFRY Presidency stands are an ultimatum. I must tell you that it is not a matter of any ultimatum but of respect for the current situation, which is connected with a time factor. We respect this situation, which is extremely explosive, and because of the time factor we have set down a time framework in which we are seeking and expect to establish and consolidate completely the cease-fire through other means. Both sides agreed today on the need to respect the stands of the Yugoslav Presidency, for work to be done on this on all sides—in other words, on both sides; that there are problems with this; that there are numerous incidents and different truths concerning these incidents; and that the factual situation should be established so that they might be eliminated and so that, on this basis, a discussion might be opened up," Dr. Vasil Tupurkovski, SFRY Presidency member from Macedonia, said, among other things, after today's extended session of the Presidency of the Republic of Slovenia in a statement to Slovene TV, which was also carried by Radio Slovenia.

Tupurkovski stressed that they had talks on concrete situations on the ground. "We have information on incidents which could have very dramatic consequences and could endanger the whole delicate project of the cease-fire and lasting peace," Tupurkovski said.

"Responsibility for the casualties so far, not to mention the fact that there could also be fresh casualties, is enormous," Dr. Tupurkovski noted.

Dr. Tupurkovski referred to the question of the borders, international obligations, and obligations within Yugoslavia as being key questions in the further discussions.

"As I see things, it is exceptionally important that stress was laid today on the complete readiness of everyone—in other words also the republic of Slovenia— to respect

the ways in which the SFRY Presidency has announced its standpoints," Dr. Tupurkovski said.

To the question of how there was, first of all, agreement with the four Slovene points and a day later with the eight points of the SFRY Presidency, Dr. Tupurkovski pointed out that it is not a matter of "Slovene" points but of proposals and that the proposal was Mesic's and his own. He also said that he does not see differences between the one or the other. The first point, for example, Tupurkovski said, in both sets of proposals refers to a cease-fire. The seventh point of the SFRY Presidency speaks about an absolute cease-fire. The second point concerned the disengagement of all forces. Units of the Yugoslav Army are now in their barracks. Whether there are too many of them, whether they are in an offensive situation, etc., this is a question for the SFRY Presidency. I would even agree, Tupurkovski stressed, that this is a question and subject for talks with Slovenia. The fact is, however, that they have withdrawn, and, in this way, the SFRY Presidency has disengaged the forces of the Yugoslav People's Army [YPA]. The third was the attitude toward prisoners. I do not see that there was any difference here. The SFRY Presidency requested the urgent release of all prisoners. The fourth was summit talks. These talks have already been scheduled by us, and they will he held tomorrow between a team of the SFRY Presidency led by Mesic, a team of the Federal Executive Council led by Markovic, and a team composed of Slovene leaders, accompanied by the participation even of the ministerial troika from the EC, Dr. Tupurkovski said.

"The stands of the SFRY Presidency should be understood as a dramatic call for common sense, the comprehension of reality, and for a definitive distancing from the military option," Dr. Tupurkovski said, assessing further that the time factor is of exceptional importance because there are exceptional tensions in the country and in Slovenia.

"We could fall in a banal incident because passions and emotions are enormous. This is why it is good to clear matters up under the pressure of time," Dr. Tupurkovski said in his statement to Slovene TV.

To the question of a journalist in which the fact was stated that Macedonia, in other words its Assembly, will today allegedly recognize the independence of Slovenia, Dr. Tupurkovski replied: "I do not know where you have got this information from. I will be making an introductory report in the assembly debate in Skopje. I will propose my principled stand and hope that the assembly will accept it, in other words that absolute recognition is given to the right of the republic of Slovenia to carry out its own orientation, on the basis of the right to the self-determination of the Slovene people and of the decisions made in the plebiscite, and that, in this direction, the Slovene republic is not hampered. There remains, however, one of the important conditions which the republic of Slovenia should also comprehend and also accept and this is that Slovenia does not have the right to and cannot hamper the interests of others," Tupurkovski said.

Dr. Tupurkovski also said: "If there is persistence in the realization of the eight points of the SFRY Presidency, then this is no kind of ultimatum but a way out of this situation. The second question is what follows in the wake of the expiry of this time framework. I will persistently advocate and hope that common sense will win, that of everyone, both in Slovenia and in the SFRY Presidency, and among the leadership of the Army—in other words, of the YPA. There are no other options apart from political and peaceful ones. War can be in nobody's interest, and everyone should do his bit to prevent it from coming about," Dr. Tupurkovski said in Ljubljana after he had taken part in the work of the Presidency of Slovenia in expanded session.

Macedonia Supports Slovenia's Right To Choose

LD0607213291 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 6 Jul 91

[Text] During its session tonight the Macedonian Assembly decided that if no agreement can be reached in a peaceful and democratic way on a union of sovereign states on Yugoslav territory, the government must put before the assembly a constitutional law whereby the Republic of Macedonia, as an independent and sovereign state, will assume and carry out its sovereign rights. The political and security situation was reported on by Vasil Tupurkovski who made the assessment that Macedonia is not involved in the current Yugoslav catastrophe and has therefore the moral right to ask everyone to conduct themselves in a way which is politically reasonable. In his view this means the end of the activity of all military and paramilitary formations and the end of the mobilization of Army reservists. Tupurkovski said that the Yugoslav Presidency must clearly define the stance that no one has the intention of depriving Slovenia of the specific path which is has chosen and which has been reinforced through a plebiscite.

Bosnia-Hercegovina

Bosnian Parties React to Slovene Events

AU0307153891 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 3 Jul 91

[Ljubomir Nikolic report]

[Text] Two political parties in Bosnia-Hercegovina, the Party of Democratic Action [SDA] and the Socialist Democratic Party [SDP], reacted today to the latest events in Slovenia. In these reactions [words indistinct]. Here is Ljubomir Nikolic from Sarajevo:

[Nikolic] On the invitation of a group of United States businessmen, Alija Izetbegovic will soon travel to the United States, where he will also meet James Baker. This was announced today at a session of the SDA at which it

was also said that Hans-Dietrich Genscher had met Alija Izetbegovic and Kiro Gligorov two days ago in Belgrade.

The SDA thinks that the election of Stipe Mesic will contribute to calming down the situation in the country, and in last night's statement by Blagoje Adzic, this party noticed that he did not mention the SFRY Presidency at any point. The fact that Adzic announced a statement by Veljko Kadijevic but Kadijevic did not appear, raises the question of the level of mutual relations, the SDA says.

As regards the situation in Slovenia, the most important thing now is to [word indistinct] peace and in Bosnia-Hercegovina to [word indistinct] integrity and sovereignty.

In the headquarters of the SDA, the destruction of the monument to Ivo Andric in Visegrad was assessed as a (?vandalistic) act whose culprits must be punished.

In the SDP of Bosnia-Hercegovina, the party's vice president, Zlatko Lagumdzija, informed journalists that the case of Slovenia involved the high treason of Yugoslavia from outside and inside and that the [word indistinct] of the Army was aimed at (?protecting) the country's external borders.

Behavior toward the families of the members of the Army in Slovenia was assessed as (?fascist) and the behavior of Ciril Ribicic and his party, which came out in favor of secession, was assessed as a betrayal of the principle and ideal that it had verbally advocated. Furthermore, Ribicic had recently said in Sarajevo that his party advocates the preservation of Yugoslavia. The statement by Ivica Racan on the Yugoslav People's Army as an occupation army was assessed in a similar way.

The SDP sent a letter today to Momcilo Krajisnik, president of the Assembly of Bosnia-Hercegovina, in which it demands that because of the dramatic situation in the country and the republic he call a permanent session of the Assembly of Bosnia-Hercegovina.

Bosnian Presidency Postpones Sending Conscripts

LD0507174191 Belgrade TANJUG in English 1555 GMT 5 Jul 91

[Text] Sarajevo, July 5 (TANJUG)—The Presidency of the Yugoslav Republic of Bosnia-Herzegovina has decided to again postpone for a week the sending of conscripts from this republic to the Yugoslav People's Army [YPA]. After analyzing public reaction, the Presidency has assessed that the current mobilization in Bosnia-Hercegovina alarms the citizens and that its continuation would produce negative political effects.

Consequently, the Presidency has decided to ask the competent Army authorities to suspend the mobilization and return home the mobilized soldiers. After the seven-day deadline expires, the Presidency will review the issue in the light of new developments and inform the public about its decision, says a statement issued by the Presidency.

According to Presidency member Nikola Koljevic, the representative of the Serbian Democratic Party on the body, the sending of conscripts is being carried out according to the law.